A/65/5 (Vol. II)

United Nations

Financial report and audited financial statements

for the 12-month period
from 1 July 2009 to 30 June 2010

and

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

General Assembly
Official Records
Sixty-fifth Session
Supplement No. 5

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United Nations • New York, 2011

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0257-0815

[18 January 2011]

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Abbreviations

AMIS	African Union Mission in the Sudan
AMISOM	African Union Mission in Somalia
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURCAT	United Nations Mission in the Central African Republic and Chad
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
MONUSCO	United Nations Organization Stabilization Mission in the Democratic Republic of the Congo
OIOS	Office of Internal Oversight Services
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMID	African Union-United Nations Hybrid Operation in Darfur
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNIFIL	United Nations Interim Force in Lebanon

UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIBH	United Nations Mission in Bosnia and Herzegovina
UNMIH	United Nations Mission in Haiti
UNMIK	United Nations Interim Administration Mission in Kosovo
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMISET	United Nations Mission of Support in East Timor
UNMIT	United Nations Integrated Mission in Timor-Leste
UNMLT	United Nations Military Liaison Team in Cambodia
UNMOT	United Nations Mission of Observers in Tajikistan
UNOCI	United Nations Operation in Côte d'Ivoire
UNOMIG	United Nations Observer Mission in Georgia
UNOMIL	United Nations Observer Mission in Liberia
UNOMSIL	United Nations Observer Mission in Sierra Leone
UNOMUR	United Nations Observer Mission Uganda-Rwanda
UNOSOM	United Nations Operation in Somalia
UNPF	United Nations Peace Forces
UNPREDEP	United Nations Preventive Deployment Force
UNPSG	United Nations Civilian Police Support Group
UNSMIH	United Nations Support Mission in Haiti
UNSOA	United Nations Support Office for the African Union Mission in Somalia
UNTAC	United Nations Transitional Authority in Cambodia
UNTAES	United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium
UNTAET	United Nations Transitional Administration in East Timor
UNTAG	United Nations Transition Assistance Group
UNTMIH	United Nations Transition Mission in Haiti

Letters of transmittal

30 September 2010

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2009 to 30 June 2010, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(*Signed*) **BAN** Ki-moon
Secretary-General

Mr. Liu Jiayi
Chair of the Board of Auditors
United Nations
New York

17 January 2011

Sir,

I have the honour to transmit to you the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2010, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

(*Signed*) **Liu** Jiayi
Auditor-General of China
Chair of the United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Report of the Board of Auditors on the financial statements: audit opinion

Report on the financial statements

We have audited the accompanying financial statements of the United Nations peacekeeping operations, which comprise the statement of income and expenditure and changes in reserves and fund balances for the year ended 30 June 2010 (statement I), the statement of assets, liabilities and reserves and fund balances as at 30 June 2010 (statement II), the statement of cash flows for the year then ended (statement III), the related statements (statements IV-XLVIII) and schedules, and the notes to the financial statements.

Management's responsibility for the financial statements

The Secretary-General is responsible for the preparation and fair presentation of these financial statements in accordance with the United Nations system accounting standards, and for such internal control as management deems necessary to permit the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is appropriate and sufficient to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2010 and its financial performance and cash flows for the period then ended, in accordance with the United Nations system accounting standards.

Report on other legal and regulatory requirements

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice or that we have tested as part of our audit have, in all significant respects, been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

Other matters

Without qualifying our opinion as expressed above, we highlight the following matters:

(a) An amount of $2.12 billion, representing the historical cost of non-expendable property, is shown in note 13 to the financial statements. Although there were improvements in the Administration's physical verifications of these assets at various missions, we noted that, of the 62,050 discrepancies identified, only 18,808 were reconciled with the records. In particular, as at 30 June 2010, 8,365 items, valued at $30.78 million (as reflected in the records of peacekeeping), could not be located. However, as at 16 November 2010, we had been informed that the number of items not located had been reduced to 5,750 items, valued at $19.84 million. Despite the actions taken by the Administration in response to the comments made in our earlier reports, these observations, together with other deficiencies commented upon in the long-form report below, indicate that the Administration needs to further strengthen the controls over non-expendable property.

(b) We also noted similar deficiencies in the controls over expendable property. In addition, according to the records of peacekeeping operations, expendable property at the various missions totalled $402 million. We are of the view that disclosure of the value of expendable property would improve transparency, accountability for asset stewardship, and financial reporting, especially in preparing for the implementation of International Public Sector Accounting Standards.

These two matters were also raised in our two most recent reports on peacekeeping operations (A/63/5 (Vol. II) and A/64/5 (Vol. II)).

(*Signed*) **Liu** Jiayi
Auditor-General of China
(Chair, United Nations Board of Auditors)
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of South Africa

(*Signed*) Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Ireland

17 January 2011

Chapter II
Long-form report of the Board of Auditors

Summary

The United Nations Board of Auditors has reviewed the operations and audited the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2010. The audit was carried out through visits to Headquarters and to 14 of the 15 active field Missions,[1] and an examination of the accounts of 26 completed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB and after-service health insurance for peacekeeping operations.

Overall conclusions of the Board

Peacekeeping is a complex, high-profile and high-value United Nations operation, with total expenditure of some $7.62 billion in 2009/10 and with missions responsible for $2.12 billion in non-expendable property and an estimated $402 million in expendable property.

At each of the active field missions, the Board examined a similar range of topics relevant to the local operations, ranging from issues of financial and budgetary management to the effective delivery of functions vital to mission operations, such as asset management, procurement, air operations, and vehicle and rations management. The Board identified shortcomings in one or more of those areas in all the missions visited and has provided a high-level summary of the findings, reported by mission and topic, in annex X, with further detail shown in annex IX.

The overall control and effectiveness of the administrative functions of the missions is variable, especially given the volatile and rapidly changing operational conditions under which many of the missions operated during the period under review. Notwithstanding those limitations, however, the Board concluded that, in broad terms, when compared with the previous year, there was an improvement in the financial and administrative management of the peacekeeping operations.

While there is no room for complacency, given the high inherent risks to effective financial control and management in peacekeeping operations and the level of improvement that, in the Board's view, is still needed, the Board has noted in the appropriate sections of the present report the efforts made by the Administration to tackle the weaknesses and concerns raised by the Board in its previous reports, and strongly encourages the Administration to continue its efforts.

The Board is aware that the Administration, in recognition of the growing value and importance of peacekeeping and the need for improved management of field operations, has been implementing a significant reform of field services support, in particular the development and implementation by the Department of Field Support of a new global field support strategy. Given the progress and state of maturity of these major developments in peacekeeping, the Board did not consider that it was the

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[1] The Board did not carry out a field visit to UNOMIG, because its mandate had ended in June 2009 and it was in the process of liquidation. In addition, its budget for the period under review was only $10.95 million, much lower than the audit materiality.

right time to comment in the present report on the progress and benefits achieved to date, but will do so in its future reports.

Audit opinion

The Board issued an unmodified audit opinion on the financial statements for the period under review, as reflected in chapter I. Without qualifying its opinion, the Board, however, highlighted two matters in its opinion, as follows:

(a) An amount of $2.12 billion, representing the historical cost of non-expendable property, is shown in note 13 to the financial statements. Although there were improvements in the Administration's physical verifications of these assets at the various missions, the Board noted that, of the 62,050 discrepancies identified, only 18,808 were reconciled with the records. In particular, as at 30 June 2010, 8,365 items, valued at $30.78 million (as reflected in the records of peacekeeping), could not be located. However, as at 16 November 2010, the Board had been informed that the number of items not located had been reduced to 5,750 items, valued at $19.84 million. Despite the actions taken by the Administration in response to the comments made by the Board in its earlier reports, these observations, together with other deficiencies commented upon in the present report, indicate that the Administration needs to further strengthen the controls over non-expendable property.

(b) The Board also noted similar deficiencies in the controls over expendable property. In addition, according to the records of peacekeeping operations, expendable property at the various missions totalled $402 million. The Board is of the view that disclosure of the value of expendable property would improve transparency, accountability for asset stewardship, and financial reporting, especially in preparing for the implementation of International Public Sector Accounting Standards.

These two matters were also raised in the two most recent reports of the Board on peacekeeping operations (A/63/5 (Vol. II) and A/64/5 (Vol. II)).

Follow-up of previous recommendations

Of the 86 recommendations made for 2008/09, 38 (44 per cent) were implemented, 45 (53 per cent) were partially implemented, 2 (2 per cent) were not implemented and 1 (1 per cent) was overtaken by events. By way of comparison, in the previous year, 40 per cent of the recommendations were fully implemented, while 53 per cent were partially implemented. Details of the actions taken in relation to the 2008/09 recommendations are included in the present report and are summarized in annex II.

Of the 45 partially implemented recommendations and 2 unimplemented recommendations, 33 per cent were first made during the financial period 2007/08 and 8 per cent were made during the period from 2003/04 to 2006/07.

Financial overview

Total income for the period under review was $8.1 billion, while total expenditure amounted to $7.6 billion, resulting in an excess of income over expenditure of $483 million. Unused appropriations increased from $191 million in 2008/09 to $401 million in 2009/10. One of the main reasons for the significant amount of unused appropriations was that the operations of MINURCAT were scaled down during the financial period, following the decision of the Security Council to close the Mission, resulting in unused appropriations of $150 million.

Progress towards the implementation of International Public Sector Accounting Standards

The implementation of the IPSAS, and the associated enterprise resource planning system, are major business transformation programmes that will have a direct impact on the Administration's ability to improve the management of peacekeeping operations. In its future reports, the Board will be examining progress on both of those initiatives in relation to peacekeeping and the action being taken by the Administration to secure the intended benefits.

In the meantime, the peacekeeping operations are following the same timetable for the implementation of IPSAS as that being followed in the United Nations Secretariat. The third progress report of the Secretary-General on the adoption of IPSAS by the United Nations (A/65/308) indicates that the likely date for IPSAS implementation in the Secretariat will be 2014, owing to delays in the acquisition of a new enterprise resource planning system (Umoja).

The Board is of the view that due consideration needs to be given, both at Headquarters and in the missions, to the distinctive needs of the peacekeeping operations in relation to IPSAS, given the scale and value of their activities. The Board has noted in the present report various challenges that the Administration already faces, particularly in the areas of non-expendable and expendable property. Those areas will require immediate and concerted action to improve control over assets and, at the same time, to prepare peacekeeping operations for IPSAS implementation.

Unliquidated obligations

Unliquidated obligations as at 30 June 2010 amounted to $1.38 billion. UNAMID alone accounted for $366 million, representing 23 per cent of the total expenditure of the mission. The Board noted weaknesses at missions in the creation of obligations, and identified approximately $26 million in obligations that did not meet the criteria for the creation of obligations. The Administration subsequently conducted a review and cancelled those unliquidated obligations. The Board also noted the high level of unliquidated obligations raised towards the end of the year, which might indicate not only inadequate in-year budget management, but also a risk that missions are creating unliquidated obligations to reserve current-year funds/budget for application in the following year. The Board also continues to express concern about the high incidence of cancellations of unliquidated obligations, and emphasizes the need for the Administration to improve the controls over the creation of unliquidated obligations.

Support account

The Board noted that the level of resources required for the financing of the support account has continuously increased over the years, from $60 million in 2000/01 to $323 million in 2009/10 (including a commitment of $29 million for Umoja). The General Assembly, in its resolution 60/268, requested the Secretary-General to undertake a comprehensive analysis of the evolution of the support account. The Board is aware that the Secretariat has processes in place for the procurement of the consultancy services of a third external provider to follow up on previous studies on the support account. However, although studies have been conducted during the four years since the request was made, a proposed staffing model has not yet been finalized.

The Board's analysis and review of the support account indicates that specific criteria for the funding of posts by the support account were not clear. Some of the activities detailed in the workplans and e-PAS of staff reviewed by the Board were described in general terms, rather than in a manner that would facilitate the identification of their relationship to peacekeeping operations. Therefore, the Board was unable to determine whether posts funded by the support account were being used for the intended purpose of backstopping peacekeeping operations.

Budgeting including results-based budgeting

Results-based budgeting is a tool that should enable mission management to ascertain how well they are delivering against planned outputs and costs, and to take corrective action to respond to changing circumstances and opportunities to improve cost-effective delivery. The Board noted that many of the same deficiencies had existed in the implementation of results-based budgeting as previously reported, in particular the disconnect between results-based-budgeting objectives and the associated budget and costs, combined with a lack of in-year monitoring. These observations indicate that the results-based-budgeting framework was not fully used in the management of the operations of the missions.

Weaknesses in other aspects of budgeting were also noted in some missions, in particular wide disparities between budgets and actual expenditure, indicating unrealistic budget-setting processes, as well as a failure to take into account all existing assets, including donated assets, in the setting of procurement budgets.

Non-expendable property

Non-expendable property amounted to $2.12 billion as at 30 June 2010. While the Board noted actions taken by the Administration to address matters previously reported, it continued to note deficiencies in the management of non-expendable property. In the present report, the Board emphasizes that: (a) some missions had not performed full and complete physical verifications; (b) a number of the discrepancies identified by the Administration's own physical count procedures remained unresolved; (c) at some missions, adequate segregation of duties in the management of assets was not in place; and (d) the disposal of assets was not carried out in a timely manner at various missions.

Expendable property

In its previous report (A/64/5 (Vol. II)), the Board expressed concern that expendable property was not disclosed in the financial statements or the notes thereto. According to the records of the peacekeeping operations, the total value of expendable property as at 30 June 2010 was $402 million. For the year under review, the Administration continued not to disclose expendable property in the financial statements. The Board is of the view that such disclosure would improve transparency, accountability and financial reporting, especially in preparing for the implementation of IPSAS. The Board also noted weaknesses in the controls over expendable property and emphasizes the need for improvement in that area.

Procurement and contract management

Procurement is an activity of high value and high risk that has fundamental implications for the success of mission operations. The Board continued to observe deficiencies in the procurement and contract management processes during the year. In the present report, the Board highlights two areas in this regard: (a) deficiencies in the bidding process, which have led to, inter alia, a potentially high-risk case in UNAMID; and (b) the need for improvement in the procedures of the Headquarters Committee on Contracts and the local committees on contracts with regard to action to follow up on the concerns and recommendations of these committees.

Human resources management

The Board examined aspects of human resources, primarily because that is a major area of expenditure with important implications for budget management. Issues such as vacancies have important implications for the delivery of mission mandates and the effective implementation of administrative backstopping and internal control. The Board continued to note high vacancy rates and long-standing vacancies at missions, and is concerned that this may contribute in part to deficiencies in procedures and controls, as noted elsewhere in the present report, or may in other circumstances indicate that unfilled posts are no longer required.

Recommendations

The Board has made a number of recommendations based on its audit. The main recommendations are that the Administration and/or the mission(s):

(a) **Comply strictly with the Financial Regulations and Rules of the United Nations with respect to the criteria for the creation of obligations;**

(b) **Draw from lessons learned from the two previous studies on the support account to ensure that the proposed new study adequately addresses the development of a staffing model for the account, and carefully monitor the execution of the contract to ensure that the consultants satisfactorily deliver the outputs based on the terms of reference of the contract and to avoid further delay;**

(c) **Develop clear and specific criteria for posts to be funded by the support account for the backstopping of peacekeeping operations, and require various departments that have posts funded by the support account to keep all supporting documents necessary to facilitate the evaluation of the support account posts and related activities;**

(d) **Improve the results-based-budgeting formulation process by providing training on a regular basis to the staff concerned, including through distance teaching or other practical alternatives;**

(e) **Take measures to ensure that all missions regularly collect, review, compile and report the results-based-budgeting data for internal management purposes;**

(f) **Consider the reasonableness of budget assumptions when preparing the budget for aviation, and take into account donated vehicles when developing the vehicle budget;**

(g) Carry out full and complete physical verifications of non-expendable property, make every effort to ascertain the reasons for those assets "not found yet", and expedite the process of reconciling discrepancies to ensure that the data relating to non-expendable property are accurate;

(h) Have in place proper segregation of duties relating to the management of non-expendable property to ensure that items are not approved, issued and received from stock by the same person, or consider mitigating controls where segregation of duties is not feasible;

(i) Strengthen the monitoring of the write-off and disposal of non-expendable property at missions to ensure that appropriate measures are taken to expedite all pending write-offs and disposals;

(j) Conduct receipt and inspection procedures in a timely manner when receiving assets, and record all the required information in the Galileo system;

(k) Expedite preparations for the disclosure of expendable property in the financial statements and/or in the notes thereto;

(l) Strengthen the management and control of expendable property by ensuring that accurate records are maintained, physical counts are periodically conducted, discrepancies are promptly investigated and corrective actions are promptly taken;

(m) Allow adequate time for vendors to submit their bids, as provided for in the Procurement Manual, or justify the short time frame provided;

(n) Establish clear, practical and uniform criteria for accepting or rejecting "late bids", and conduct tender opening procedures in accordance with Department of Field Support guidelines, recording, where necessary, in the tender opening documentation the justification for accepting late proposals;

(o) Establish a mechanism for tracking the implementation of the recommendations of the Headquarters Committee on Contracts, taking appropriate action in a timely manner when concerns are raised, and ensure that the UNOCI local committee on contracts takes similar measures;

(p) Establish at UNAMID and UNMIL a robust process, where appropriate, for claiming liquidated damages in a timely manner;

(q) Request the services of OIOS for the conduct of a thorough review of the awarding of the two contracts for the construction of the mission subsistence allowance accommodation and the headquarters office accommodation;

(r) Ensure that UNAMID strictly complies with the requirements of the Procurement Manual for the solicitation and evaluation of bids;

(s) Conduct a review of long-vacant posts to determine whether they are still needed and take appropriate action, as necessary;

(t) Take appropriate measures to reduce recruitment lead times and expedite all requests for the classification and reclassification of posts at various missions.

A. Mandate, scope and methodology

1. The Board of Auditors has audited the financial statements and reviewed the activities of the United Nations peacekeeping operations for the financial period from 1 July 2009 to 30 June 2010, in accordance with General Assembly resolution 74 (I). The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto, as well as with the International Standards on Auditing. Those standards require that the Board comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. The standards have been reissued with effect for accounting periods beginning on or after 15 December 2009. Although they are not mandatory, the Board has chosen to apply the revised standards in forming the audit opinion on the United Nations peacekeeping operations for 2009/10.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements fairly presented the financial position of the United Nations peacekeeping operations as at 30 June 2010 and the results of operations and cash flows for the financial period then ended, in accordance with the United Nations system accounting standards. This included an assessment of whether the expenditure recorded in the financial statements had been incurred for the purposes approved by the governing bodies and whether income and expenditure had been properly classified and recorded in accordance with the Financial Regulations and Rules of the United Nations. The audit included a general review of financial systems and internal controls, and a test examination of the accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its audit coverage at Headquarters and 14 of the 15 active field missions, the accounts of 26 completed missions and the four special-purpose accounts, namely, the Peacekeeping Reserve Fund, the support account for peacekeeping operations, UNLB and after-service health insurance for peacekeeping operations, as detailed in annex I.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of the peacekeeping operations under financial regulation 7.5. It requires the Board to make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the peacekeeping operations.

5. The Board continued to report the results of audits to the Administration by means of management letters containing detailed observations and recommendations. This practice allows for ongoing dialogue with the Administration. In that regard, 15 management letters were issued covering the financial period under review.

6. The Board coordinated with OIOS in the planning of its audits in order to avoid duplication of efforts and to determine the extent to which it could rely on the work of the Office.

7. In accordance with section A, paragraph 7, of General Assembly resolution 51/225, the Board followed up on previous recommendations. The results of the follow-up are addressed in paragraphs 12 to 18 below.

8. In a letter dated 31 July 2009, the Advisory Committee on Administrative and Budgetary Questions requested the Board to examine the appropriate placement and distribution of the investigative capacity of OIOS, taking into account the Division's workload and cost-effectiveness, and to provide its related comments to the General Assembly at its resumed sixty-fourth session. The result of the Board's examination of this matter is reflected in the relevant section of the present report.

9. During its examination of the Board's report on the peacekeeping operations for the year ended 30 June 2009 (A/64/5 (Vol. II)), the Advisory Committee on Administrative and Budgetary Questions, in its related report (A/64/708), requested the Board to present its observations and recommendations on specific missions in an additional annex on a mission-by-mission basis. The results of that request are reflected in annex IX of the present report. This is in addition to previous requests by the Committee, which are of a continuing nature.

10. In its resolution 64/268, the General Assembly requested the Secretary-General, the Advisory Committee on Administrative and Budgetary Questions and the Board to coordinate their activities to ensure that the Secretary-General's response to the Board's report on peacekeeping is available in time for the examination by the Advisory Committee and the Fifth Committee of the report, and to inform the Assembly at its sixty-fifth session of the outcome. Advance copies of the Board's report on the peacekeeping operations for the financial year ended 30 June 2009 were provided to the Advisory Committee on 3 February 2010. However, the Secretary-General's response was not available during the Committee's examination of the report. The Board had contacted the Administration with a view to shortening the time frame for the submission of financial statements as well as responses to the Board's management letters. However, the Board was informed that it was not possible to do so. Notwithstanding, the Board took the initiative to review its own timelines leading to the issuance of its report, and is pleased to state that it finalized its report on 17 January 2011 and that a copy was forwarded to the Administration to facilitate the Secretary-General's response.

11. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the report.

B. Findings and recommendations

1. Follow-up of previous recommendations of the Board

12. Of the 86 recommendations made for 2008/09, 38 (44 per cent) were fully implemented, 45 (53 per cent) were partially implemented, 2 (2 per cent) were not implemented and 1 (1 per cent) was overtaken by events. For the previous year, by way of comparison, 40 per cent of the recommendations made were fully implemented, while 53 per cent were partially implemented. Details of the actions taken in relation to the 2008/09 recommendations are included in the present report and summarized in annex II.

Recommendation overtaken by events

13. The Board had recommended that the Administration ensure that all missions establish human resources action plans, as required under directives from the Department of Peacekeeping Operations and the Department of Field Support. In this audit, the Board was informed that the Office of Human Resources Management would introduce a new system, HRM Scorecard, which would replace the human resources action plans in the first quarter of 2011.

Recommendations not implemented

14. In relation to one of the two unimplemented recommendations, the Board had recommended that the Administration expedite its preparations for the recording of expendable property and disclose the value of such property in the financial statements and/or in the notes thereto. For the period under review, the Administration continued not to disclose unused expendable property with an estimated value of $402 million (as reflected in the records of peacekeeping), either in the financial statements or in the notes thereto.

15. The second unimplemented recommendation relates to efforts by MONUSCO[2] and MINURCAT to keep sufficient spare parts to enable the workshop to reduce vehicle waiting periods. According to Security Council resolution 1923 (2010), the mandate of MINURCAT would end on 31 December 2010. However, the Board noted that at MONUSCO, some vehicles had awaited inspection for periods ranging from 48 days to 278 days, owing to an absence of spare parts. In addition, two serviceable vehicles had been cannibalized because they had been in the workshop for a long time as a result of a shortage of spare parts. At the time of reporting, the Board had been informed that MONUSCO was reviewing the current spare parts acquisition process with a view to developing a spare parts procurement programme to better serve the Mission's needs.

Recommendations under implementation

16. The 45 partially implemented recommendations covered 15 focus areas. One particular area of concern related to the management of expendable and non-expendable property. The Board had made eight recommendations and noted that seven of them had not been fully implemented, while, as mentioned above, one had not been implemented. The Board recognizes that the Administration took action and made progress on the management of non-expendable and expendable property during the period under review. However, similar problems continued to recur, indicating that the Administration had not fully addressed the Board's concern. Similarly, the Board had made 15 recommendations in relation to procurement and contract management, 7 of which were still under implementation.

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[2] By its resolution 1925 (2010), the Security Council decided that the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) should bear the title United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) as from 1 July 2010. In the present report, "MONUSCO" is used when both acronyms pertain to the context.

Ageing of previous recommendations

17. As requested by the Advisory Committee on Administrative and Budgetary Questions (see A/59/736, para. 8), the Board evaluated the ageing of its previous recommendations that had been partially implemented or had not yet been implemented, as set out in annex II. The financial periods in which such recommendations were first made are also indicated in annex II. Of the 45 partially implemented recommendations and 2 unimplemented recommendations, 16 (34 per cent) relate to 2007/08, 1 (2 per cent) relates to 2006/07, 2 (4 per cent) relate to 2005/06 and 1 (2 per cent) relates to 2003/04.

18. The earliest partially implemented recommendation relates to the implementation of adequate indicators of achievement and outputs for the results-based-budgeting framework, which was established in 2003/04. While the Administration indicated that it continues to try to improve the formulation of results-based budgeting and regularly emphasizes that issue in the Controller's budget instructions, the Board continues to find deficiencies in this area.

2. Financial overview

Analysis of income and expenditure

19. Total income increased to $8.10 billion for the period under review from $7.25 billion for the previous financial year, owing mainly to an increase in assessed contributions. Overall expenditure also increased, by 7 per cent, from $7.12 billion to $7.62 billion. As a result, there was an excess of income over expenditure of $483 million, compared with an excess of $132 million in the preceding financial year.

20. For the period under review, unused appropriations of active missions totalled $401 million (excluding UNLB strategic deployment stock replenishment), an increase of 110 per cent over the previous year. The main reason for the increase was that the operations of MINURCAT were being phased down, since the host Government had insisted in January 2010 that the Mission's mandate not be renewed beyond 15 March 2010. The Security Council approved the closure of the Mission with effect from 1 January 2011. Although the appropriations of the Mission increased by 59 per cent to $721 million, expenditure increased by only 30 per cent, to $571 million, resulting in an excess of unused appropriations of $150 million.

Completed missions

21. Seven of the 26 completed missions did not have adequate cash to cover liabilities (see annex III). Notwithstanding, total cash balances relating to the completed missions amounted to $424.07 million, while total liabilities amounted to $318.57 million, of which $226.89 million related to liabilities to Member States. Outstanding assessments totalled $543.25 million, remaining almost unchanged from the prior-year balance of $543.63 million. The cash position nevertheless improved slightly during the current financial year, from $88 million to $105.5 million.

Impact of the earthquake in Haiti on MINUSTAH

22. In view of the tragedy in Haiti, which had resulted in significant disruptions in the operations of MINUSTAH, the Board acknowledged in its previous report (A/64/5 (Vol. II)) that the implementation of its recommendations arising from its audit of the Mission for the financial period ended 30 June 2009 might not be feasible. A management letter detailing the observations and recommendations in that regard was, however, shared with the Administration. As a result, the report of the Board did not reflect any MINUSTAH-related findings or recommendations.

23. Following the earthquake, the Administration introduced special measures to respond to the humanitarian crisis and any adverse impact that it might have on the Mission's operations, especially in the areas of finance, procurement and human resources. At the time of the audit, OIOS was completing its audit of those special measures. Although the Board coordinated its work with that of OIOS to avoid duplication, the earthquake and its aftermath had an adverse impact on the Mission's ability to perform its normal procedures and controls, thereby increasing risk and limiting the Board's procedures in these areas.

3. Progress towards the implementation of International Public Sector Accounting Standards

24. The timetable being followed for the implementation of IPSAS for peacekeeping operations is the same as that for the implementation of the Standards in the United Nations Secretariat. The Secretary-General's third progress report on the adoption of IPSAS by the United Nations (A/65/308) indicates that the likely date for the implementation of IPSAS in the Secretariat will be 2014, owing to delays in the acquisition of a new enterprise resource planning system (Umoja).

25. The first IPSAS-compliant financial statements for peacekeeping operations are planned for the financial period ending 30 June 2014, although the Administration indicated that it would consider the feasibility of preparing IPSAS-compliant financial statements for the fiscal year ending 30 June 2013 if the implementation of Umoja at peacekeeping missions should be completed by the second quarter of 2013.

26. In its previous report, the Board highlighted the need for the careful monitoring of various milestones leading to the full implementation of IPSAS. The Board is of the view that due consideration must be given to the distinctive needs of peacekeeping operations in relation to IPSAS, especially because of the size of such operations. The Board is also concerned about how to accurately and fairly present the value of non-expendable and expendable assets in the financial statements, which is emphasized in the present report.

4. Unliquidated obligations

27. Unliquidated obligations represent a charge against expenditure (as well as a liability) for which the respective goods and services have yet to be received or delivered. The Board is concerned that the Administration may reserve current-year funds/budget through the creation of unliquidated obligations which do not actually materialize or result in a payment. As at 30 June 2010, unliquidated obligations amounted to $1.38 billion, representing 18 per cent of total expenditure.

Creation of unliquidated obligations

28. As emphasized in the Board's previous report, the criteria for the creation of obligations have not always been adhered to at some missions. For the period under review, the Board identified unliquidated obligations of $26.61 million that did not meet the criteria for creation, as follows:

(a) At UNSOA, three obligations, amounting to $19.56 million, or 23 per cent of the total unliquidated obligations of the mission, were created on 30 June 2010 on the basis of internal purchase orders, while the formal signed documents from vendors were signed on 12 August 2010;

(b) At UNMIS, on 27 June and 29 June 2010, the Mission issued two internal purchase orders for core requirements to obligate funds of $1.32 million and $1.58 million, respectively. Had official purchase orders been used, the procurement action would have had to be submitted first to the Headquarters Committee on Contracts for review and subsequent approval by the Assistant Secretary-General for Central Support Services, in accordance with section 3.4.5 of the Procurement Manual;

(c) At UNAMID and UNSOA, unliquidated obligations for the purchase of fuel and rations, amounting to $2.71 million and $1.44 million, respectively, were not in conformity with paragraph 24 (c) of the closing instructions issued by the Office of Programme Planning, Budget and Accounts (dated 27 May 2010), since the items had not been delivered as at 30 June 2010.

29. The Board raised these concerns with the Administration, which reviewed and subsequently cancelled the aforementioned unliquidated obligations. The Board was also informed that the Administration had cancelled an additional $6 million in such obligations at UNSOA.

30. Large amounts of unliquidated obligations were also created near year-end. For example, UNAMID created unliquidated obligations valued at $80.68 million, or 34.72 per cent of the mission's total unliquidated obligations, on 30 June 2010, the last day of the financial year, while one third of the unliquidated obligations at UNDOF were created on or near 30 June 2010. This pattern of raising unliquidated obligations at year-end may indicate inadequate in-year budget management. There is also the risk that missions are creating unliquidated obligations to reserve current-year funds/budget for application in the following year. This has the potential to distort the expenditure shown in the financial statements.

Cancellation of unliquidated obligations

31. In its previous reports, the Board had highlighted the high incidence of the cancellation of prior-period unliquidated obligations. While the cancellation of such obligations cannot be completely avoided, high levels of cancellation may indicate possible overstatement of expenditure in the previous financial statements. The Board had recommended that the Administration ascertain the reasons for this and take appropriate measures to minimize it. For the period under review, total cancelled prior-period obligations grew to $187.7 million, an increase of 11 per cent over the previous year, although the ratio of cancellation of prior-period obligations to unliquidated obligations remained stable (see table II.1).

Table II.1

Cancellation of unliquidated obligations for the past four fiscal years

(Millions of United States dollars)

	2006/07	*2007/08*	*2008/09*	*2009/10*
Unliquidated obligations	974	1 389	1 500	1 384
Cancellation of prior-period obligations	202	128	170	188
Percentage of cancellation of prior-period obligations to unliquidated obligations	21.0	13.1	12.2	12.5

Note: Based on the audited financial statements.

32. In some missions, the extent of the cancellation of unliquidated obligations remains high. For example, at UNAMID, $92.24 million in unliquidated obligations relating to previous years was cancelled, representing 17 per cent of total unliquidated obligations for 2008/09. While the Board acknowledges that UNAMID is operating in one of the most unstable and unpredictable locations and is undertaking large-scale construction projects, it remains concerned about the relatively high level of the cancellation of prior-year unliquidated obligations.

33. **The Board reiterates its previous recommendation that the Administration require all missions to comply strictly with the Financial Regulations and Rules of the United Nations with respect to the criteria for the creation of obligations.**

34. The Administration commented that it was taking measures to monitor and review the process of the creation and cancellation of obligations, including issuing year-end closing instructions to guide the missions.

5. Assessed contributions and other accounts receivable

Assessed contributions receivable

35. As at 30 June 2010, assessed contributions receivable amounted to $1.46 billion, representing 35 per cent of total assets and a decrease of 3.3 per cent compared with the amount of $1.51 billion in 2008/09 (see annex IV). Nine missions showed decreases totalling $142.15 million, while six showed increases totalling $100.32 million.

36. As at 30 June 2010, assessed contributions receivable outstanding for more than two years amounted to $599.83 million, representing 41 per cent of total assessed contributions receivable (see table II.2). The percentage for both 2008/09 and 2007/08 was 39 per cent. Certain Member States had indicated that they did not intend to pay some of their assessed contributions or that such contributions would be paid only under certain conditions, as indicated in note 4 to the financial statements. The General Assembly had reiterated, in its resolution 61/233 B, that the issue of outstanding assessed contributions was a policy matter of the Assembly. That position was again reiterated in paragraph 3 of its resolution 62/223 B. Accordingly, the Board has refrained from making a recommendation with regard to a provision for delays in the collection of outstanding assessments.

Table II.2

Assessed contributions outstanding — age analysis

(Millions of United States dollars)

	Financial year ended 30 June 2010		*Financial year ended 30 June 2009*		*Financial year ended 30 June 2*	
	Amount	*Percentage to total*	*Amount*	*Percentage to total*	*Amount*	*Percen to t*
Less than six months	694.22	47.70	593.60	39.31	609.34	38
Six months to one year	73.67	5.06	279.48	18.51	317.15	20
One to two years	87.67	6.02	47.00	3.11	40.59	2
More than two years	599.83	41.21	590.07	39.07	609.42	38
Total	**1 455.39**	**100**	**1 510.15**	**100**	**1 576.50**	

Note: Based on the data of the financial statements.

Long-outstanding accounts receivable balances

37. There were several instances of long-outstanding accounts receivable, as follows:

(a) At MONUSCO, accounts receivable outstanding for more than one year amounted to $987,513, an increase of 46 per cent compared with the balance at the end of the previous financial year. Of this amount, $610,345, or 61.8 per cent, was outstanding for more than two years;

(b) At UNMIL, accounts receivable outstanding for more than one year amounted to $434,921, representing 9 per cent of total accounts receivable as at 30 June 2010. Included in this figure were balances totalling $74,433 relating to personnel who were no longer in the Mission, representing 18 per cent of total receivables outstanding for more than one year;

(c) At UNDOF, an amount of $216,375, or 36 per cent of accounts receivable, related to value-added tax claims from the host country covering the period from 1996 to 2004. UNDOF explained that efforts to recover that amount had been unsuccessful.

38. **The Board recommends that the Office of Programme Planning, Budget and Accounts and the Department of Field Support: (a) require MONUSCO, UNMIL and UNDOF to intensify their efforts to recover all long-outstanding accounts receivable balances; and (b) assess the recoverability of long-outstanding balances and make the necessary adjusting entries in the accounts.**

39. The Department of Field Support commented that the United Nations was entitled to tax refunds under section 8 of the Convention on the Privileges and Immunities of the United Nations. In order to effectively monitor the indirect tax amounts due to the Organization, the Department had directed UNDOF to continue its practice of reflecting the amount of value-added tax reimbursable in accounts receivable and to pursue its recovery from the host Government. Furthermore, it was not the practice of the Organization to write off amounts owed by Member States that arise as a result of possible status-of-forces agreement violations.

40. The Department of Field Support also commented that MONUSCO had intensified its reviews of accounts receivable to determine and address the underlying factors hampering recovery. Moreover, better coordination mechanisms had been established with stakeholders to address the previously observed deficiencies. The Department also indicated that it would stress to UNMIL the importance of instituting appropriate measures to effectively monitor the collection of outstanding accounts receivable.

6. Contributions under status-of-forces or status-of-mission agreements

41. The costs of facilities and services provided under an agreement with a Member State in which a peacekeeping operation is located are not included in voluntary contributions. The value of such facilities was disclosed in the notes to the financial statements, with effect from the financial year 2008/09. The Board noted an improvement in the disclosure of such contributions during the current financial period, since facilities as well as fees waived under status-of-forces or status-of-mission agreements were disclosed. However, the disclosure could be improved by further clarification as to whether the value of import duties and value-added taxes waived or refunded could also be disclosed.

7. End-of-service liabilities including after-service health insurance liabilities

42. As shown in statement II, total end-of-service and post-retirement liabilities amounted to $578.49 million as at 30 June 2010, compared with $576.14 million as at the end of the previous financial year. Of the total liabilities, $388.60 million represented after-service health insurance, $92.51 million related to unused vacation leave credits, and $97.38 million represented repatriation benefits. Table II.3 shows the trend in the end-of-service liabilities (including after-service health insurance) relating to peacekeeping operations over the past three fiscal years, while annex V shows the breakdown of end-of-service liabilities by mission as at 30 June 2010.

Table II.3
Trends in the end-of-service liabilities
(Millions of United States dollars)

	2007/08	*2008/09*	*2009/10*
Annual leave	57.55	63.06	92.51
Repatriation	52.38	60.75	97.38
After-service health insurance	409.89	452.33	388.60
Total	**519.82**	**576.14**	**578.49**

Note: Based on the audited financial statements.

After-service health insurance — scope of plan participants

43. As disclosed in note 14 to the financial statements, the liability for after-service health insurance is a net amount derived from the present value of the accrued liability offset by contributions from medical insurance plan participants. The Board noted that the Administration had, in accordance with the provisions of the plans, changed the scope of "plan participants" for the after-service health insurance liability. Previously, plan participants had been limited to retired staff;

they now also included active staff. The Board had no disagreement with this change, which had been presented by the Administration as a "refinement" and was "reflective of the fact that both active and retired staff participate in the same health insurance plans and that their collective contributions serve to meet the approved cost-sharing ratios" (note 14 (d) (iii) to the financial statements). The Board, nevertheless, wishes to underline that this change resulted in a decrease in the net liability, since the value of the contributions from plan participants offset from the gross liability increased. The Administration was not able to assess the extent to which the change in the scope of "plan participants" with regard to the after-service health insurance liability accounted for that increase. The Board is of the view that its impact could be significant.

After-service health insurance — discount rate

44. In its previous valuation of the after-service health insurance liability, the United Nations had used a discount rate of 5.5 per cent. The valuation of the after-service health insurance liability as at 31 December 2009 relied on a discount rate of 6.0 per cent.

45. A discount rate is an interest rate used as a common financial practice by which to estimate the present value of an amount to be earned or lost at a future date. In other words, it represents the time value of money. As the after-service health insurance liability is composed of benefits that will be paid out by the United Nations to its retired staff in future, IPSAS, like most other accounting frameworks, requires that those amounts be "discounted", so that the reporting entity takes their present value as an estimate of its liability.

46. The higher the discount rate, the lower the present value of future amounts; the lower the rate, the higher the present value. Hence, all other things being equal, the increase in the discount rate used by the United Nations resulted in a lower after-service health insurance liability compared with the previous financial period. In this regard, note 14 to the financial statements indicates that a 1 per cent increase in the discount rate would result in a 14 per cent decrease in the after-service health insurance liability.

47. IPSAS 25, which serves as a reference for the actuarial methodology used for the valuation of the after-service health insurance liability in accordance with General Assembly resolution 61/264, does not prescribe any particular discount rate. However, it states: "The rate used to discount post-employment benefit obligations (both funded and unfunded) shall reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money shall be consistent with the currency and estimated term of the post-employment benefit obligations" (para. 91). It further specifies: "An entity makes a judgement whether the discount rate that reflects the time value of money is best approximated by reference to market yields at the reporting date on government bonds, high-quality corporate bonds or by another financial instrument" (para. 94).

48. Like most of the methodological elements used for the actuarial valuation of the after-service health insurance liability, the discount rate was selected by the United Nations on behalf of all the entities that participate in the same health plans and for which the United Nations coordinated the valuation exercise.

49. According to the United Nations, the objective in selecting a discount rate for the valuation of end-of-service and post-retirement benefits was to measure the single amount that, if invested in a portfolio of high-quality debt instruments, would provide the future cash flow necessary to pay the accrued benefits when due. Historically, the United Nations has established the discount rate assumption by referring to rates of return on available high-quality, fixed-income investments with cash flows that match the timing and amount of the expected benefit payments. The rates of return used as a reference by the United Nations have been those of high-quality corporate bonds.

50. The Board acknowledges that this methodology is compliant with IPSAS 25, yet makes the following comments for consideration in the discussion on the funding of these liabilities:

(a) The increase in the discount rate does not reflect the trend in interest rates, which have recently shown a tendency to decrease. This increase is due to the decision of the United Nations not to increase the discount rate for the previous valuation, although the application of the methodology described above would have resulted in an increase from 5.5 per cent to 6.5 per cent at that time. Given the uncertainties regarding the prescriptions of IPSAS (IPSAS 25 had not yet been adopted), the United Nations had conservatively decided to maintain the 5.5 per cent rate. Had it chosen to raise the rate to 6.5 per cent at the time, the same rate would have then decreased instead of increased for the most recent valuation, which would have been consistent with the economic environment;

(b) The discount rate is but one example of the high level of uncertainty inherent in the actuarial valuation of a liability. While compliant with the accounting standards, such valuation is only an estimate of the actual value of the liability; consequently, the United Nations may wish not to regard it as the absolute reference. Valuations based on standards other than accounting standards may yield different results. In this regard, the Board wishes to underline that a financial valuation of funding needs, or a "funding valuation", would result in a value different from that determined by the accounting valuation, which, by its nature, is generally more conservative. This is one of the reasons why the United Nations has advised that the funding requirements of after-service health insurance and other end-of-service and post-retirement liabilities are only a portion of the Organization's liability as valued according to the accounting standards.

Annual leave and repatriation benefits

51. The annual leave liability and the repatriation liability continued to be estimated by using the current-cost methodology. The annual leave liability had increased from $63.06 million to $92.51 million as at 30 June 2010. The repatriation liability was $97.38 million as at 30 June 2010, compared with $60.75 million as at 30 June 2009. As disclosed in note 14 (e) (i) and note 14 (f) (i) to the financial statements, the increase in these liabilities was due to the extension of benefits coverage to all staff with fixed-term or continuing appointments based on the new contractual arrangements effective 1 July 2009.

8. Support account

52. The support account was designed to provide funding for overload posts necessary for the overall direction, assistance and guidance provided by departments,

offices and other units at Headquarters to ensure the effective planning, implementation and liquidation of peacekeeping operations.

Studies on the support account

53. In its reports A/59/736 and A/60/807, the Advisory Committee on Administrative and Budgetary Questions requested the Board to conduct an analysis of how the support account had evolved to its current application and configuration and how it might further evolve. In addition, the General Assembly, in paragraph 13 of its resolution 60/268, requested the Secretary-General to undertake a comprehensive analysis of the evolution of the support account.

54. In 2006, pursuant to the latter request, the United Nations Secretariat engaged the services of consultants in order to undertake a preliminary review of the support account at a cost of approximately $50,000. The study examined the backstopping requirements for peacekeeping operations, given the growth in the number and complexity of such operations, with a view to establishing clear linkages between the two and proposing a budget model that would permit adequate backstopping support for the missions while maintaining flexibility in the determination of support account staffing requirements.

55. Acting on the request, the consultants proposed a budget model aimed at achieving economies in terms of requirements for both human and other resources. The consultants indicated that further testing of this mechanism with other departments would be essential in determining the practicality and use of the model in subsequent and consecutive years within the support account budget. They concluded that the success of the model in real-time testing by the Peacekeeping Financing Division had proved that the model was clearly robust and durable in its constitution. During the actual testing, it had taken just over 48 hours to capture all the budget elements of the Division within the model and to arrive at a number that accurately reflected the Division's resource requirements. The model could also be extrapolated and applied to the various other departments, all of which could customize it to suit their individual resource requirements and unique work environments. The Administration, however, decided not to accept the model for the determination of support account staffing requirements, on the grounds that it was primarily theoretical and would require further testing before it could be fully usable.

56. Following the restructuring of the Department of Peacekeeping Operations and the establishment of the Department of Field Support, the Secretary-General indicated that it was necessary to take a fresh look at the support account in the light of the structural and functional changes involved in those developments. Accordingly, in January 2009 the United Nations Secretariat commissioned another consulting firm to conduct a comprehensive analysis of the evolution of the support account. In the terms of reference for the consultancy services, it was clearly stated that "the General Assembly, in its resolution 62/250 of 20 June 2008 on the support account, requested that a report on the evolution of the support account, including a proposed staffing model, be provided for its consideration during its resumed sixty-third session in 2009". The terms of reference also stated that the contracted consultants were to "develop a robust, feasible and practical proposal for the support account staffing requirements model and methodology for its determination".

57. The cost of the study was $160,768, but the consultants did not make recommendations for a proposed staffing model. The Office of Programme Planning,

Budget and Accounts commented that, while the study did not present a defined formula for the determination of support account staffing requirements, it provided a comprehensive analysis of the evolution of the support account.

58. At the time of the current year's audit, the Secretariat had budgeted an amount of $207,000 for the procurement of external consultancy services once again, to follow up on the study on the evolution of the support account and to develop a staffing model that would attempt to relate support account staffing needs to the size and nature of peacekeeping operations. However, this exercise had not yet commenced. The Board is concerned that the study on the support account has taken more than four years but has not yet resulted in a proposed staffing model.

59. **The Board recommends that the Office of Programme Planning, Budget and Accounts and the Department of Peacekeeping Operations: (a) draw from lessons learned from the two previous studies on the support account to ensure that the proposed new study adequately addresses the development of a staffing model for the support account; and (b) carefully monitor the execution of the contract to ensure that the consultants satisfactorily deliver the outputs based on the terms of reference of the contract and to avoid further delay.**

60. The Office commented that it was expected that the follow-up study, commissioned with a view to developing a conceptual staffing model for the support account, would produce practical, implementable and sustainable solutions so that Member States could make fully informed decisions with regard to resources.

Board evaluation of the support account

61. Over the years, the amount of resources required for the financing of the support account has continuously increased. From the level of $60 million in 2000/01, resource requirements increased by 438 per cent to $323 million[3] in 2009/10. The total expenditure of the support account for 2009/10 was $318 million, including $204 million (64 per cent) in personnel costs and $114 million (36 per cent) in operational costs.

62. The number of authorized posts financed by the support account increased from 469 in 2000/01 to 1,245, or 165 per cent, in 2009/10, to provide backstopping for the 15 active peacekeeping operations in Europe, Africa and Asia and the support provided by the United Nations to AMISOM. Those missions have approximately 140,000 peacekeeping personnel and an approved annual budget of $7.6 billion.

63. As indicated in table II.4, the support account budget increased by 438 per cent from 2001 to 2010, compared with an increase of 196 per cent in the total peacekeeping budget over the same period. The budget of the support account as a percentage of the total budget of peacekeeping operations for the same period averaged 3.6 per cent.

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[3] The Board was subsequently informed that the figure of $323 million includes the support account share to finance the enterprise resource planning project.

Table II.4

Movements of the support account budget for peacekeeping operations

(Millions of United States dollars)

	Year ended 30 June									
	2001	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
Total support account budget	60	90	101	112	122	147	189	231	282[a]	323[b]
Percentage increase in comparison with prior year		50	12	11	9	20	29	22	22	15
Percentage increase from 2001 to 2010					438					
Total peacekeeping missions budget	2 566	2 675	2 491	2 684	4 220	4 839	5 175	6 500	6 974	7 600
Percentage increase (decrease) in comparison with prior year		4	(7)	8	57	15	7	26	7	9
Percentage increase from 2001 to 2010					196					
Support account as a percentage of peacekeeping budget	2.3	3.4	4.1	4.2	2.9	3.0	3.7	3.6	4.0	4.3
Average					3.6					

Note: Based on data provided by the Peacekeeping Financing Division.

[a] The Board was subsequently informed that the figure of $282 million includes $7 million for the support account share to finance the enterprise resource planning project.

[b] The Board was subsequently informed that he figure of $323 million includes $29 million for the support account share to finance the enterprise resource planning project.

64. Table II.5 shows that from 2001 to 2010, the ratio of peacekeeping personnel to the staffing of the support account posts varied from 80:1 to 127:1, with an average ratio of 100:1.

Table II.5

Ratio of peacekeeping personnel to the staffing of the support account posts

	Year ended 30 June									
	2001	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
Support account headcount	562	687	702	743	761	831	819	1 122	1 220	1 245
Peacekeeping missions personnel	54 200	64 676	56 096	66 794	79 987	86 446	103 658	109 114	112 100	140 464
Support ratio	96	94	80	90	105	104	127	97	92	113
Average					100					

Note: Based on data provided by the Peacekeeping Financing Division.

65. In paragraph 11 of its report (A/59/784), the Advisory Committee on Administrative and Budgetary Questions indicated: "It is obvious that the mechanism of the support account has evolved well beyond what was originally foreseen. The Advisory Committee therefore reiterates the need to fully take into account the rationale for the establishment of the support account and the principles

and guidelines approved by the General Assembly concerning the expenses of peacekeeping operations. The Committee recommends that the Secretary-General be requested to analyse the evolution of the support account starting with the original concept of overload and describe changing needs to justify departures from the original concept."

66. To ascertain the criteria for determining which posts should be funded by the support account and which should be funded by the regular budget, the Board interviewed concerned officials and was informed that there were no specific criteria, but rather a general one based on peacekeeping operational requirements, which normally include: mandate requirements, in particular for new, expanding or otherwise transitioning and closing missions; and requirements to address new or additional functions mandated in field operations. Table II.6 shows the historical staffing table of the support account by department.

Table II.6
Historical staffing table of the support account by department

		Financial year ended 30 June										*Increase from 2001 to 2010*	
	Department	*2001*	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*	*Number*	*Percentage*
Directly related to peacekeeping	Department of Peacekeeping Operations	442	533	537	539	539	568	617	374	425	425		
	Department of Field Support								417	424	437	420	95
Subtotal		**442**	**533**	**537**	**539**	**539**	**568**	**617**	**791**	**849**	**862**	**420**	**95**
Other supporting departments/ offices	Department of Management	97	123	132	134	138	145	172	189	202	223	126	130
	Office of Internal Oversight Services	12	16	16	53	61	92	0	94	109	99	87	725
	Department of Safety and Security	3	7	7	7	12	12	12	18	18	18	15	500
	Office of Legal Affairs	5	5	5	5	5	5	9	11	13	15	10	200
	Office of Information and Communications Technology									10	12	N/A	N/A
	Executive Office of the Secretary-General	3	3	3	3	3	5	5	7	7	5	2	67
	Department of Public Information			2	2	2	2	2	4	4	4	N/A	N/A
	Office of the Ombudsman					1	2	2	8	8	7	N/A	N/A
Subtotal		**120**	**154**	**165**	**204**	**222**	**263**	**202**	**331**	**371**	**383**	**263**	**219**
Total		**562**	**687**	**702**	**743**	**761**	**831**	**819**	**1 122**	**1 220**	**1 245**	**683**	**122**

Note: Based on data provided by the Peacekeeping Financing Division.

67. As indicated in table II.6, from 2000/01 to 2009/10, the number of authorized posts under the Department of Peacekeeping Operations and the Department of Field Support funded from the support account increased from 442 to 862, or approximately 95 per cent. However, from the biennium 2000-2001 to the biennium

2010-2011, authorized posts in the same departments under the regular budget increased by only 3 posts, from 55 to 58. In addition, authorized support account posts in eight other supporting departments increased from 120 to 383, or approximately 219 per cent.

68. The Executive Office of the Department of Peacekeeping Operations and the Department of Field Support explained that the funding from the regular budget for both Departments had remained at nearly zero growth for years after re-costing. Because of this, eight posts under the regular budget had been abolished and re-established under the support account, which had enabled four new posts to be established (one Under-Secretary-General and three Assistant Secretary-General posts) during the restructuring of peacekeeping operations with effect from 1 July 2007, as those leadership positions had been deemed to represent core activities of the Departments.

69. The Board reviewed the workplans and performance evaluations corresponding to a sample of 152 posts in various departments/offices that were financed from the support account, to determine whether resources funded from the support account were actually being employed to backstop peacekeeping operations.

70. Table II.7 shows that, of the 152 sampled posts funded by the support account, the workplans corresponding to 34, or 22 per cent, did not relate to peacekeeping, while no workplans were provided for 51. In addition, the e-PAS of 35 personnel, or 23 per cent, did not indicate any relationship to peacekeeping, while e-PAS were not provided for 67 personnel. Given these considerations, the number of personnel whose workplans and e-PAS do not relate to peacekeeping is likely to increase significantly.

Table II.7

Analysis of posts in various departments/offices financed from the support account

		Workplan				*e-PAS*[a]		
Department/office	*Number of posts reviewed*	*R*	*P*	*N*	*N/A*	*R*	*P*	*N*
Department of Peacekeeping Operations	25	14	1	4	6	13		7
Department of Field Support	25	13	5	3	4	10	2	9
Department of Management	25	1	—	9	15	1	—	9
Office of Internal Oversight Services	25	3	7	8	7	—	—	—
Department of Safety and Security	18	7	2	—	9	7	1	1
Office of Legal Affairs	15	2	2	7	4	2	3	6
Office of Information and Communications Technology	10	2	2	2	4	3	1	2
Executive Office of the Secretary-General	5	—	2	1	2	—	3	1
Department of Public Information	4	4	—	—	—	4	—	—
Total	**152**	**46**	**21**	**34**	**51**	**40**	**10**	**35**
Percentage		30	14	22	34	26	7	23

Abbreviations: R, related to a peacekeeping operation; P, partially related to a peacekeeping operation; N, no related to a peacekeeping operation; N/A, not provided/no records.

[a] "e-PAS" refers to personal performance appraisals in the electronic performance appraisal system.

71. The Department of Peacekeeping Operations and the Department of Field Support explained that, of the 50 posts reviewed by the Board, 22 related to purely administrative and support functions (including 21 posts at the General Service level). The workplans of those staff could have provided more detail on how the roles and responsibilities of the individual staff member related directly to the backstopping of peacekeeping operations. The Departments agreed that reference to this linkage needed to be further strengthened to reinforce the backstopping role in the context of individual workplans and e-PAS.

72. The Office of Legal Affairs explained that the demand for legal services could not be predicted and, for the most part, must be met when and as required. The Office indicated that it could not dedicate specific resources, such as posts, to specific functions or activities and that all attorneys in its units with resources funded from the support account (the Office of the Legal Counsel and the General Legal Division) might be required to address any legal matters requiring legal advice and assistance.

73. The Office of Legal Affairs also explained that capacity requirement and workload statistics would be better indicators for the justification of its support account resources. However, on the basis of the documents provided by the Office, the Board noted that from 1995 to 2009, the number of support account posts under the General Legal Division had increased threefold, from three to nine, compared with only a 3.7 per cent increase in the time spent providing legal support to peacekeeping operations during the same period.

74. The Department of Management indicated that workload statistics would be a better indicator for determining whether support account resources are used as intended. The Board, however, was unable to determine the workload clearly relating to the support account because the Procurement Division, as an example provided by the Department of Management, could not provide the requested workload statistics.

75. The Office of Internal Oversight Services explained that the relationship between the posts and outputs could be found in a review of the detailed execution of its audit workplan. The Board's review of the implementation of the OIOS audit plan in relation to 17 audit posts during the financial year 2009/10 confirmed that they were related to peacekeeping operations. The Board noted that administrative support posts, regardless of their funding source, were used to provide administrative support to all Internal Audit Division staff members. Consequently, administrative support staff occupying peacekeeping support account posts would support all OIOS activities.

76. On the basis of the above analysis and the related information and explanations provided, the Board was unable to conclude whether posts funded by the support account were being used for the intended purpose of backstopping peacekeeping operations.

77. **The Board recommends that the Office of Programme Planning, Budget and Accounts, the Department of Peacekeeping Operations and the Department of Field Support: (a) develop clear and specific criteria for posts to be funded by the support account for the backstopping of peacekeeping operations; and (b) require various departments that have posts funded by the support account**

to keep all supporting documents necessary to facilitate the evaluation of those posts and related activities.

78. The Department of Peacekeeping Operations and the Department of Field Support commented that they welcomed the opportunity to be directly involved in addressing these critical issues, as they held the primary responsibility for the backstopping of peacekeeping.

79. The Office of Programme Planning, Budget and Accounts further commented that all requests for post and non-post resources were reviewed taking into account the relevant decision taken by the General Assembly and reiterated in its resolutions. The Office pointed out that the Controller's 2008 budget instructions for the preparation of the 2009/10 support account required adequate justification and a thorough analysis of the resource requirements for the support account, including workload absorption capacity, distribution of workload and actual responsibilities and functions performed, as well as actual and expected workload drivers/statistics and expected outputs.

9. Budgeting including results-based budgeting

Results-based budgeting

80. Results-based budgeting has the potential to be a powerful tool that in principle should enable mission management to understand how well it is delivering against planned outputs and costs, and to take corrective action to respond to changing circumstances and opportunities to improve cost-effective delivery. In order to be effective, results-based budgeting requires a clear framework of objectives covering the principal outputs for the year, the projected costs of those outputs and regular monitoring, throughout the year, of progress made to date in delivering on those objectives and costs.

81. In its previous report, the Board had highlighted various deficiencies in the implementation of results-based budgeting. For the period under review, the Board continued to review the results-based-budgeting framework.

Results-based budgeting: indicators of achievement and outputs

82. In the past the Board has emphasized the need for well-defined indicators of achievement and outputs. The Board, however, continued to observe shortcomings in this area. Several indicators and outputs were not specific or measurable at UNAMID, UNMIS, UNIFIL, UNLB, UNSOA, UNMIK and UNMIL. In addition, some of the outputs of UNMIL and UNFICYP were dependent on events beyond the control of those missions.

83. The Board identified inadequate training as one of the main reasons for the continuing inadequate definition of indicators of achievement and outputs. Although the Field Budget and Finance Division of the Department of Field Support had made efforts to provide results-based-budgeting training and support to missions, the impact of those activities was limited by the high turnover of staff at field missions, especially for results-based-budgeting focal points in substantive units. In particular, no training courses on results-based budgeting have been conducted at UNMIS since 2007/08, while at UNSOA no formal results-based-budgeting training has been provided to the staff members as at the time of audit.

84. **The Department of Field Support agreed with the Board's recommendation that all missions improve the results-based-budgeting formulation process by providing training to staff concerned on a regular basis, for example, through distance teaching or other practical alternatives.**

85. The Department of Field Support commented that, owing to the complex and changing nature of field missions, the principle of SMART (specific, measurable, attainable, relevant and time-bound) would be applied to the extent possible. However, the Department agreed that there was a need for continuous training in results-based budgeting and indicated that it was looking at the most efficient ways to conduct such training, including the train-the-trainers approach, and was developing online training packages.

Results-based budgeting: the linkage between frameworks and required resources

86. An essential element of the results-based-budgeting concept is that all outputs are allocated on the basis of a well-evidenced estimated cost from the outset. Without this element, it is difficult to compare how much outputs are costing against the budget and to determine whether they have been delivered in a cost-effective way. The Board reviewed the linkage between results-based budgeting and resources required, and noted that, with the exception of staffing resources, financial resources were still not linked to the results-based-budgeting frameworks. For example:

(a) At UNDOF, the expected outputs were not costed and there was an incomplete understanding of the links between funding and performance outcomes. For instance, the mission did not know the cost of deploying a rapid-reaction patrol group;

(b) At UNFICYP, the budget was not linked to its components or outputs. The mission's internal formal reporting was not aligned with its budget components or outputs, resulting in different information for management purposes and reporting to the General Assembly. Furthermore, the mission was not monitoring its achievements in comparison with actual budget utilization. Similar observations were made at MINURSO;

(c) At UNOCI, there was no clear and auditable trail to demonstrate that the mission's budget was properly allocated to the planned outputs.

87. The Office of Programme Planning, Budget and Accounts explained that the absence of a full and clear link between budget and output was due to the lack of an appropriate cost-accounting system. Although some aspects of cost-accounting principles were applied during budget preparation — for example, in the areas of training and public information — they represented less than 1 per cent of the overall approved peacekeeping budget.

88. The Office also commented that in paragraph 45 of his report dated 29 March 2007 on the feasibility of the application of cost-accounting principles in the United Nations Secretariat (A/61/826), the Secretary-General indicated that the option of extending cost accounting, and in particular time recording, to peacekeeping activities and other programme areas should be examined at a later date following a review of the success of the implementation of the cost-accounting systems for support services within the new enterprise resource planning system.

Results-based budgeting: in-year monitoring of progress and performance

89. A well-managed results-based-budgeting process would involve in-year monitoring of progress against planned indicators of achievement and outputs, including the financial impact of any changes in operations, thereby providing management with an early indication of the anticipated output for the year. This would enable management to take corrective action to, for example, control the escalating costs of an activity. However, not all missions were monitoring progress on indicators of achievement and outputs during the year, and even where they were doing so, this was not matched against actual expenditure. The only assessment of costs against results-based budgeting was undertaken after year-end and after the budget for the subsequent financial year had been set.

90. At UNLB, there was no standard process for the regular collection, compilation and reporting of results-based-budgeting data. Instead, UNLB collected such data in relation to actual achievements and outputs, as well as the supporting documents, only at the end of each financial year, with a view to compiling a portfolio of evidence to substantiate the performance report.

91. At UNFICYP, achievements were identified and reported after year-end, and the most recent performance data available for the Board's analysis relates to 2008/09. There were no in-year monitoring reports on progress against the 2009/10 results-based-budgeting plan. Similar observations were made in relation to UNOCI and MINURSO.

92. The budget instructions issued by the Controller provided the forms for the compilation of a performance report and of a portfolio of evidence aimed at establishing an audit trail. There was, however, no guidance from Headquarters on in-year monitoring of results-based-budgeting performance data.

93. **The Board recommends that the Department of Peacekeeping Operations, in collaboration with the Department of Field Support, take measures to ensure that all missions regularly collect, review, compile and report the results-based-budgeting data for internal management purposes.**

94. The Department of Field Support commented that the process of collecting, compiling and reporting results-based-budgeting data varied across missions and that it would continue to include the topic of a portfolio of evidence in its results-based-budgeting training for field missions. According to the Department, UNLB, UNOCI and UNFICYP had implemented procedures to improve the effectiveness of the monitoring of outputs and indicators of achievement.

Other aspects of budgeting: aviation and vehicle budget

95. For some categories of expenditure, there were wide disparities between budgets and actual usage, indicating unrealistic budget-setting processes and a failure to take into account all existing assets, including donated assets, in the setting of procurement budgets.

96. At UNMIT, for example, the proposed number of budgeted flight hours for two fixed-wing aircraft for the financial year 2009/10 was 1,488 (subsequently amended to 1,400 hours), compared with 787 actual flight hours (a 56 per cent shortfall). In addition, the planned number of flight hours for these two aircraft during the

financial period was 1,022, significantly lower than the proposed number of budgeted flight hours, while the number of contracted flight hours was 1,200.

97. At UNAMID, 1,295 vehicles donated by the African Union Mission in the Sudan in April 2008 were not taken into account in the setting of the vehicle budget for the financial years 2008/09 and 2009/10. Of those vehicles, more than 600 were still in use. The total amount budgeted for vehicle acquisitions in the financial year 2009/10 was $4.69 million, of which $700,000 was redeployed to other cost centres.

98. **The Board recommends that the Department of Field Support require: (a) UNMIT to consider the reasonableness of its budget assumptions when preparing the budget for aviation; and (b) UNAMID to take into account donated vehicles when developing its vehicle budget.**

99. The Department of Field Support explained that the estimated 1,488 hours had been based on the assumption of a requirement to operate regular flights to Denpasar and Darwin airports and that a subsequent review had revealed that it was not viable to operate flights to Denpasar. The Department indicated that this would be considered in the planning assumptions for the next budget submission. It also commented that the vehicles donated by the African Union Mission in the Sudan had been considered UNAMID assets in the preparation of the 2010/11 and 2011/12 budgets, thus reducing the resource requirements.

Implementation of the budget for quick-impact projects

100. For the 2009/10 financial year, the budget for quick-impact projects was $12.50 million. However, there were low rates of completion of quick-impact projects and of disbursement of funds in a number of missions; a similar observation had been made in previous audits. Some examples are shown in table II.8.

Table II.8

Examples of low rates of completion of quick-impact projects and disbursement of funds as at 30 June 2010

Mission	*Number of approved/ planned projects*	*Number of completed projects*	*Completion ratio (percentage)*	*Budget allocated to quick-impact projects*[a]	*Disbursed amounts*[a]	*Unliquidated obligations*[a]	*Rate of disbursement to budget (percentage)*	*Rate of expenditure to budget (percentage)*
UNAMID	205	2	1	4 000 000	118 403	3 878 048	3	100
MINUSTAH	143	19	13	3 000 000	419 340	2 580 660	14	100
UNMIL	49	2	4	1 000 000	0	999 992	0	100
MINURCAT	27	7	26	1 000 000	123 853	323 549	12	45
MONUSCO	80	19	24	1 000 000	529 351	455 776	53	99

Note: Based on data provided in management letters on the audit of relevant missions for the financial year 2009/10.

[a] United States dollars.

101. The Department of Field Support explained that the delays and the underutilization were due to operational difficulties, including security restrictions, low capacity of implementing partners, delays by implementing partners, increased workloads for limited numbers of staff, and circumstances beyond the missions' control.

102. **The Board recommends that the Department of Field Support require all missions to improve the rate of implementation of quick-impact projects.**

103. The Department of Field Support commented that: (a) UNAMID had taken measures to address this issue by reviewing and amending guidelines, undertaking an overall evaluation of quick-impact-project performance, employing a consultant to assess the implementation of quick-impact projects, and developing an executing agency capacity assessment form and circulating it to quick-impact-project focal points; (b) MINURCAT was diligently pursuing the completion of all quick-impact projects and would submit all accountability reports by 31 December 2010; and (c) UNMIL had embarked on a broad consultation at both the county and central levels and was reviewing the outcome of the consultations in order to develop a final list of projects for the consideration of the quick-impact-project team. Since the beginning of the current financial year, Mission management had made improvements in the management of quick-impact projects.

10. MINURCAT exit strategy

104. On 15 January 2010, the host Government indicated its intention to ask MINURCAT to complete its mandate and leave Chad. On 25 May, the Security Council, by its resolution 1923 (2010), decided to extend the Mission's mandate until 31 December 2010, which would be followed by a liquidation period that would conclude on 30 April 2011. Action was now being taken by MINURCAT to implement that decision.

105. The Board reviewed the plans established by the Mission for an orderly departure from Chad and for the protection and realization of United Nations assets. The Board also considered the financial and operational implications of the exit strategy and planned actions of MINURCAT, including the control and disposal of assets under the Mission's control, reporting the closure of the Mission in the annual financial statements, the monitoring of progress in implementing the drawdown and liquidation plans, the budget implications of the closure, and whether a post-implementation lessons-learned exercise was planned.

Action taken by MINURCAT

106. The Board noted that the Mission had taken immediate action in January 2010 to review operations and cease non-essential actions and investments. It had developed a two-phase exit strategy, involving a drawdown phase covering the period until the closure of the Mission on 31 December 2010 and including the arrangements for the departure of United Nations troops and police, followed by a liquidation phase to complete the evacuation of the Mission and equipment. The plans for drawdown and liquidation were supported by detailed operational plans for each major aspect of the Mission's operations, including military withdrawal and asset disposal. The drawdown plan involved a structured withdrawal from forward bases, retrenching personnel and equipment to the bases at Abéché and N'Djamena. The liquidation plan covered the disposal of assets and the closure of the bases.

107. At 30 June 2010, MINURCAT held non-expendable assets with a historical cost of just under $150 million, more than half of which were acquired during 2009/10. The Board reviewed the plans established by the Mission for the protection and realization of those assets, and considered them to be adequate and proportionate.

Disclosures in the financial statements on the completion of MINURCAT

108. Note 2 (a) (i) to the financial statements requires that the financial statements be prepared on a "going concern" basis, and, if not, that that fact be disclosed together with the reasons. An organization is usually considered to be a going concern if it is reasonably certain that it will continue in operation for at least one year from the accounting date. In the case of MINURCAT, the Mission will be completed by 30 April 2011, some 10 months after the accounting date. The completion of MINURCAT, and the resulting financial impact, are not disclosed in the 2009/10 financial statements.

109. **The Board recommends that in future, once the Security Council has approved the completion of a mission, the Administration record the closure of the mission in the financial statements, disclosing the best estimate of the financial impact.**

110. The Administration agreed with the Board's recommendation, noting that the closure of the mission had no impact on the value of assets, liabilities and fund balances of MINURCAT reported as at 30 June 2010.

Monitoring delivery of the drawdown and liquidation plans

111. The Board found no formal risk assessment and mitigation plans for the many actions necessary to effect mission drawdown and liquidation, and is of the view that senior managers should address those elements critical to success whose delivery is considered at risk.

112. **The Board recommends that the Department of Field Support perform an assessment to identify and document the significant risks to the delivery of the drawdown and liquidation plans. Those risks should then be subjected to review on a weekly basis by senior management.**

113. The Department of Field Support agreed with the Board's recommendation that closing missions should establish a risk assessment and mitigation plan for each significant drawdown and liquidation action, subject to review by senior management. MINURCAT also confirmed that it had implemented this recommendation.

Budgeting for drawdown phases

114. The 2009/10 budget for MINURCAT was approved by the General Assembly, in its resolution 64/286, on the basis that the Mission would continue in operation throughout 2009/10, and therefore did not make provision for the implementation of drawdown and liquidation.

115. For 2010/11, the budget would support three activities:

(a) The costs associated with ongoing MINURCAT operations up to 31 December 2010;

(b) The costs associated with implementing the drawdown plan up to 31 December 2010 (costs such as those for retrenchment to the Abéché and N'Djamena bases and for obtaining containers and packing equipment into them);

(c) The costs of liquidation up to 30 April 2011, such as shipping and disposal costs. Any residual costs after 30 April 2011 will be accounted for as those of a completed mission in accordance with the usual peacekeeping arrangements.

116. To reflect the reality of operations and the differing nature of the costs incurred in undertaking the phases of ongoing operations, drawdown and liquidation, the Board would expect to see separate Mission budgets for each of these phases, with financial reporting linked to the budgets to enhance financial transparency and accountability.

117. The Administration clarified that the 2010/11 budget for MINURCAT, submitted to the General Assembly in the relevant report of the Secretary-General (A/65/487), specifies separate provisions for the operation/maintenance period and the liquidation period. It is the Administration's view that drawdown costs form part of the regular operation/maintenance period to the end of the Mission, and that this is consistent with previous budget presentations for missions in a similar drawdown and liquidation phase.

Post-implementation review

118. While clear guidance existed for mission liquidation in the event of closure, there was no comprehensive guidance on how to develop a drawdown plan, although peacekeeping operations had followed a previous Board recommendation and learned lessons from the UNMIK reconfiguration exercise in 2008/09. In the absence of comprehensive guidance for the planning and implementation of drawdown, MINURCAT was obliged to develop its own exit strategy.

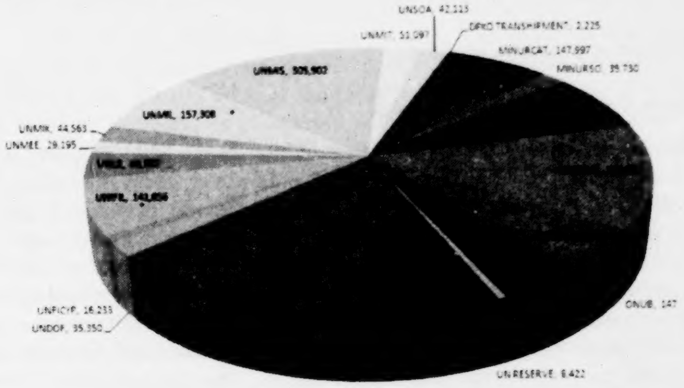
119. **The Board recommends that the Department of Field Support conduct a thorough post-implementation and lessons-learned review of the drawdown and liquidation plans for MINURCAT. The key lessons should be utilized to revise the liquidation guidance, if necessary, and to create clear guidance for the development and implementation of a drawdown plan to protect the substantive operations of closing missions and to facilitate orderly withdrawal.**

120. The Department of Field Support informed the Board that the "end of mission" reports cover accomplishments, problems encountered and lessons learned over the lifetime of a mission, including a post-implementation review of the liquidation plan. The reports are reviewed by the Administration, and lessons learned are considered in future liquidations and subsequent revisions of procedure manuals, including the liquidation manual. The Board recognizes the actions taken by the Department to learn from experience through the "end of mission" reports, and considers that this could usefully be extended to include a review of the benefits derived from the development by MINURCAT of a drawdown plan.

11. Non-expendable property

121. As disclosed in note 13 to the financial statements, the value of non-expendable property amounted to $2.12 billion, a 19 per cent increase over the previous year. The missions with the largest portions of non-expendable property were UNAMID, UNMIS and MONUSCO, with holdings amounting to $419.81 million, $305.9 million and $269.92 million, respectively (see figure II.1).

Figure II.1
Non-expendable property holdings of missions as at 30 June 2010
(Thousands of United States dollars)



Note: Based on the Department of Field Support financial year-end inventory report for financial year 2009/10.

122. In its previous report, the Board had highlighted deficiencies in the management and control of non-expendable property, in particular incomplete physical verification, lack of timely reconciliation of discrepancies, delay in the write-off and disposal of assets, and stock ratios in excess of benchmarks established to minimize the holding of excessive stock.

123. During the period under review, the Administration took actions to strengthen the management of non-expendable property to address the concerns previously raised by the Board, including:

(a) Issuing guidelines and directives instructing missions to improve the management of non-expendable property, including, the Department of Field Support warehousing guidelines and guidance on developing a Department of Field Support property management workplan and performance measurement system;

(b) Establishing a new property management framework and performance measurement system;

(c) Establishing a key performance indicator, within the performance measurement system, for the physical verification of non-expendable property, with a performance target of 100 per cent and a risk tolerance rate of 10 per cent;

(d) Introducing a requirement that missions prepare monthly reconciliation reports on discrepancies;

(e) Using key performance indicators to monitor the actions taken by missions to expedite asset disposal.

124. Despite the actions taken by the Administration, and recognizing that time would be required before their full impact could be realized, the Board continued to observe similar deficiencies identified in its previous reports, in particular:

(a) Incomplete disclosure of non-expendable property;

(b) Incomplete physical verification and delay in the disposal of assets, and lack of timely reconciliation of discrepancies, especially for unlocated assets ("not yet found");

(c) Inadequate segregation of duties.

Disclosure of assets pending write-off/disposal

125. In the financial statements, the total value of non-expendable property was disclosed in the amount of $2.12 billion in note 13; however, the value of assets pending write-off ($75.46 million) and the value of assets pending disposal ($55.65 million) were included in that figure of $2.12 billion without separate disclosure. Owing to the nature of pending write-off and disposal assets, especially the fact that assets pending disposal no longer have any operational use, the Board is of the view that separate disclosure of the value of these assets would enhance the presentation of non-expendable items in the financial statements and improve the understanding of the position of non-expendable assets. The Department of Field Support and the Office of Programme Planning, Budget and Accounts agreed with the Board's view and revised the note to the financial statements accordingly.

Physical verification

126. In its previous report (A/64/5 (Vol. II)), the Board had emphasized its concern about the deficiencies in the physical verification of non-expendable property and recommended that the Department of Field Support ensure that full and complete physical verification was carried out to support the amount of non-expendable property disclosed in the notes to the financial statements.

127. According to the Department's performance reports, 12 active missions and UNLB conducted physical verifications of more than 90 per cent of non-expendable property during 2009/10, and the percentages for UNMIK and UNAMID were 79 per cent and 85 per cent, respectively. The Board noted a performance improvement trend over the past four years in the physical verifications, however, it considers that full and complete physical verification is required for proper accountability and stewardship of United Nations assets, and is essential to support complete and accurate disclosure of non-expendable property in the financial statements. Therefore, the Board encourages the Administration to take further measures to improve the rate of physical verification at various missions.

128. The Department of Field Support commented that: (a) the underperformance of UNAMID was explained by the complexity of mission operations during the start-up phase, together with the high vacancy rates in property management positions; and (b) at UNMIK, physical verification included assets that were awaiting physical handover to non-United Nations entities, with regard to which the formal conclusion of the sale process was pending, and for which the Controller had granted the mission an exception to the physical verification procedures.

Reconciliation of discrepancies

129. In its previous report, the Board had highlighted the high incidence of discrepancies in physical verifications (especially for assets "not found") and the lack of timely reconciliation of those discrepancies. The Board had reiterated its

previous recommendation that all missions promptly investigate discrepancies relating to non-expendable property and take appropriate measures to ensure that their asset records were accurate and reliable. For the period under review, the Board continued to observe similar deficiencies at all missions, as follows:

(a) Assets that could not be located. The report of the Department of Field Support on the monitoring of discrepancy reconciliation revealed that, as at 30 June 2010, 8,365 assets, with a value of $30.78 million, could not be located (see table II.9). Following a discussion with the Board, the Department took measures to address this issue. As at 16 November 2010, the Board had been informed that the items "not found yet" had declined in number to 5,750 and were valued at $19.84 million, reflecting a reduction in value of 35.54 per cent. The Department commented that the fact that these assets were marked in the property management system as still unlocated did not mean they had been lost; however, because the Department could not accurately identify the actual number of lost assets at the time of audit, it was difficult to determine the extent to which the figure of $2.12 billion reported in the notes to the financial statements might be affected;

(b) Lack of timely reconciliation. The report of the Department of Field Support on the monitoring of discrepancy reconciliation also revealed that, as at 30 June 2010, 62,050 discrepancies had been found (see table II.10) and only 18,808 (30 per cent) had been reconciled. Of the remaining 43,242 discrepancies, 19,518 had been reviewed but not reconciled and 23,724 had yet to be reviewed. Those findings were mirrored by the Board's findings at missions. For example, at UNAMID, the actual status of 2,808 assets had been awaiting reconciliation for more than 30 days, with the longest period being 352 days. Similar discrepancies were noted at UNMIK, UNMIL, UNMIS and UNSOA. The failure to reconcile discrepancies in a timely manner adversely affects accountability in terms of the management of non-expendable property and could lead to incorrect disclosure of such property in the notes to the financial statements.

Table II.9
Assets "not found" in peacekeeping missions

	As at 1 July 2010		*As at 16 November 2010*		*Decrease*	
Mission	*Quantity*	*Value*[a]	*Quantity*	*Value*[a]	*Quantity*	*Value*[a]
UNMIS	3 110	11 186 270	2 092	8 270 679	1 018	2 915 591
UNMIL	1 646	4 210 707	568	1 362 548	1 078	2 848 159
MINUSTAH	829	2 304 610	1 389	2 465 475	(560)	(160 865)
UNAMID	709	6 453 629	480	4 035 410	229	2 418 219
UNOCI	540	1 376 235	404	967 480	136	408 755
UNMIT	396	837 728	223	475 368	173	362 360
MINURCAT	360	1 357 414	312	1 017 329	48	340 085
UNMIK	346	1 011 449	174	433 473	172	577 976
UNIFIL	275	1 409 668	40	319 277	235	1 090 391
UNFICYP	48	79 274	9	37 989	39	41 285
MONUSCO	36	356 504	24	340 942	12	15 562
UNSOA	33	87 197	12	37 363	21	49 834

	As at 1 July 2010		*As at 16 November 2010*		*Decrease*	
Mission	*Quantity*	*Value*[a]	*Quantity*	*Value*[a]	*Quantity*	*Value*[a]
UNDOF	27	55 502	19	42 173	8	13 329
MINURSO	5	47 948	4	40 948	1	7 000
UNLB	4	10 037	0	0	4	10 037
SDS	1	3 005	0	0	1	3 005
Total	**8 365**	**30 787 178**	**5 750**	**19 846 454**	**2 615**	**10 940 724**

Note: Based on information provided by the Logistics Support Division.

[a] United States dollars.

Table II.10

Reconciliation of discrepancies in physical verification as at 1 July 2010

	Discrepancies in physical verification							
	Total		*Pending self-accounting unit review*		*Reconciled by self-accounting unit*		*Reviewed by self-accounting unit*	
Category	*Quantity*	*Percentage*	*Quantity*	*Percentage*	*Quantity*	*Percentage*	*Quantity*	*Percentage*
Data inconsistency	3 116	5	1 452	6	—	—	1 664	8
Different status	3 657	6	1 484	6	1 229	7	944	5
Different user	6 833	11	2 520	11	1 397	7	2 916	15
Found elsewhere	39 792	64	10 392	44	16 182	86	13 218	68
Not found yet	8 652	14	7 876	33	—	—	776	4
Total	**62 050**		**23 724**		**18 808**		**19 518**	

Note: Based on information provided by the Department of Field Support.

130. **The Board recommends that the Department of Field Support require all missions: (a) to carry out full and complete physical verifications of non-expendable property; (b) to make every effort to ascertain the reasons why assets have not been located; and (c) to expedite the process of discrepancy reconciliation to ensure that the data relating to non-expendable property are accurate.**

131. The Department of Field Support commented that complete physical verification was not always possible, owing to the operational and security conditions at many missions. While the Board is of the view that 100 per cent verification would ensure greater accountability and transparency, and recognizes that seven missions have achieved this level according to the Department, it encourages the Administration to make every effort to attain this objective.

132. The Department of Field Support also commented that: (a) discrepancies identified during property counts that might represent a potential loss were insignificant, and that the actual value of items written off as lost was immaterial; (b) field missions had introduced a standard practice whereby the Property Control and Inventory Unit prepared monthly discrepancy reports and submitted them to the self-accounting units for reconciliation action; (c) UNMIS was resolving the

discrepancies noted during the physical verifications to ensure the accuracy of the information recorded in the Galileo system; (d) UNMIK had reduced the number of unlocated items of non-expendable property from 148 ($714,409) to 135 ($376,256.68); (e) at UNAMID, an action plan to achieve full physical verification of mission assets had been initiated and a combined task force established to expedite the process of asset verification; and (f) UNMIL was making progress in resolving the discrepancies noted during the physical verifications to ensure the accuracy of the information recorded in the Galileo system.

Segregation of duties

133. Adequate segregation of duties is an integral aspect of internal controls designed to safeguard assets and to secure, as far as possible, the accuracy and reliability of the amounts disclosed in the financial statements. According to the Board's analysis of data from Business Object (a reporting system), a total of 103,035 asset issue vouchers were processed, in 14 active missions and UNLB, during the 2009/10 financial year. For 75,054 assets issued, or 73 per cent of the total, there was no segregation of duties in terms of approving, issuing and receiving. In particular, for 1,954 assets issued, valued at $18.64 million, the functions of approving, issuing and receiving were carried out by the same person (see annex VI). The lack of adequate segregation of duties increases the risk that irregularities will occur and go undetected.

134. **The Board recommends that the Department of Field Support require all missions to have in place proper segregation of duties relating to non-expendable property to ensure that items are not approved, issued and received from stock by the same person, or consider mitigating controls where segregation of duties is not feasible.**

135. The Department of Field Support commented that, where peacekeeping missions have geographically dispersed warehouses, and where (at small missions in particular) there are a limited number of staff members carrying out warehousing functions, improved segregation of duties would require a disproportionate increase in resources, as viewed against the potential risk of losses. Furthermore, the Department considered that the Galileo Inventory Management System was a sound and auditable transaction recording system that had proved to be an effective risk mitigation measure. In all instances, the equipment approved for issue, issued and received was subject to the personal accountability of the user and to internal controls such as annual physical verification, check-out procedures, and write-off and disposal processes. Therefore, full compliance by all missions with segregation-of-duties requirements was not considered to be a feasible or cost-effective management solution.

136. The Board remains of the view that adequate segregation of duties is an essential control, especially where portable and valuable assets are involved.

Lead time in the write-off and disposal of assets

137. The Board noted instances in which the write-off and disposal of assets had been delayed for considerable periods. This was a common problem in missions, as shown by the following:

(a) The mandate of UNMEE was terminated on 31 July 2008, but 5,200 assets, valued at $18.64 million, were still awaiting write-off, while 3,568 assets, valued at $8.62 million, were still awaiting disposal;

(b) At UNMIS, as at 3 August 2010, 509 items, valued at $2.65 million, had been awaiting write-off and/or disposal for more than one year;

(c) At UNLB, 40 assets, valued at $2.70 million, had been awaiting write-off for more than six months, with the longest period being 596 days. In addition, 1,188 assets, valued at $4.86 million, had been approved for write-off but had not yet been disposed of. Similar observations were made at MINUSTAH, UNMIK, UNMIL and UNMIT.

138. **The Board reiterates its previous recommendation that the Administration strengthen the monitoring of the write-off and disposal of non-expendable property at missions to ensure that appropriate measures are taken to expedite all pending write-offs and disposals.**

139. The Department of Field Support commented that: (a) over the past three years, the Department had addressed these issues in its annual directives on property management issued to field missions, and it was monitoring actions taken to expedite the asset disposal process through key performance indicators in the property measurement performance system; (b) at UNMEE, commercial sales were prohibited and assets initially presented for donation to the host Government had been rejected; (c) UNMEE had been obliged to hastily ship to UNLB and other missions the majority of the items, which would normally have been disposed of in situ; and (d) the process of sorting, listing, packing, processing, salvaging and decontaminating equipment was time-consuming, thus affecting the write-off and disposal process. However, missions were taking actions to expedite write-off and disposal.

140. The Department of Field Support also commented that: (a) at UNMIK, the assets awaiting write-off and disposal, which had been detected during the field audit, had been reduced in number by 61 per cent as at 12 October 2010; (b) at UNMIS, the Mission was training the relevant staff in Galileo lot creation, which was expected to be completed by 31 December 2010; (c) UNMIT, UNMIL and MINUSTAH had taken measures to coordinate the efforts of various sections involved in the write-off and disposal of property to facilitate compliance with the established asset disposal time frame; and (d) UNLB had established a sequential disposal method, consisting of sale, or, where not possible, cannibalization, and then disposal as scrap.

Receiving and inspection

141. The receiving and inspection process is a key control over United Nations-owned equipment. The receiving and inspection unit of a field mission receives, inspects and certifies the acceptance or rejection of the supplies and equipment delivered to the mission. After receiving and inspection are completed, the property is entered into the mission's inventory and recorded in the field assets control/Galileo system. The Board found some deficiencies in the process of receiving and inspecting goods. For example, at UNAMID, 761 assets, valued at $4.48 million, received from UNMIS had been recorded in Galileo without the involvement of the receiving and inspection unit. In addition, the condition/status of

6,037 assets, valued at $21.29 million, was not reflected in the receiving and inspection reports. Of those assets, 494, valued at $1.33 million, were in poor condition and had never been used since their delivery to UNAMID.

142. **The Department of Field Support agreed with the Board's recommendation that UNAMID be required to conduct its receiving and inspection procedures in a timely manner when receiving assets and to record all the required information in the Galileo system.**

143. The Department commented that UNAMID had acted on the recommendation through a joint physical verification of transferred assets carried out in July 2010, and that the process of updating the inventory records through receipt and inspection reports was in progress. UNAMID had also established an asset verification task force to conduct a full inspection of previous inter-mission asset transfers.

Stock ratio and surplus

144. It is important that missions maintain adequate levels of stock to support their mandates. However, it is also important that they not hold excessive levels of stock, because that could be an inefficient use of resources, given the costs associated with purchasing and maintaining excessive stock, as well as the risk that the stock will become obsolete. In its two most recent reports (A/64/5 (Vol. II) and A/63/5 (Vol. II)), the Board had recommended that the Administration review non-expendable property at all missions to ascertain what quantities of such property should be held. During the period under review, high stock levels continued to exist across the missions.

145. The Department of Field Support guidelines have established stock ratios for all asset categories, ranging from zero to 25 per cent. In addition, the Department requires that missions declare all redundant non-expendable property as surplus in the database. At the end of the 2009/10 financial year, there were 58,806 overstock assets, of which only 5,639 had been declared as surplus, in 13 active missions (excluding UNSOA) and UNLB. There was no clear-cut benchmark for declaring overstock assets as surplus. In addition, the overall stock ratio (the ratio of assets in stock to total assets) of UNAMID was 51 per cent and that of MINURCAT was 45 per cent, both of which were in excess of the highest established stock ratio (see table II.11). This implies that for some asset categories, stock ratios are much higher than the highest established stock ratio.

Table II.11

Stock ratio and surplus of 13 missions and UNLB as at 1 July 2010

Mission	*Key performance indicator: percentage in unit stock*	*Overstock*	*Quantity declared surplus*
UNAMID	51	26 520	3 576
MINURCAT	45	6 750	313
UNMIS	27	8 193	565
MINUSTAH	22	4 706	16
UNOCI	21	2 122	506
MONUSCO	20	5 275	119
UNLB	20	700	0
UNMIK	17	745	198

Mission	*Key performance indicator percentage in unit stock*	*Overstock*	*Quantity declared surplus*
UNMIL	15	1 683	3
UNMIT	14	646	151
MINURSO	13	297	21
UNDOF	13	337	1
UNIFIL	11	681	161
UNFICYP	9	151	9
Total		**58 806**	**5 639**

Note: Based on the Budget Office report on Logistics Support Division stock ratios as at 1 July 2010.

146. The Board also noted the following deficiencies in stock management:

(a) At UNLB, 10 categories of assets, valued at $1.13 million, had been in stock for a considerable period, with the longest being 1,799 days. Despite the fact that it held these assets, UNLB had purchased $1.23 million worth of assets in the same categories. The newly purchased assets had remained unused for up to 462 days as at 30 July 2010. Included in the assets were 18 items, valued at $407,816, which had been in stock for more than one year and had exceeded their life expectancy;

(b) UNAMID had not established its own stock ratios for each category of items, and the stock ratios for 303 generic categories of assets exceeded those set by the Department of Field Support. In addition, 21,093 assets (or approximately 51 per cent by quantity), valued at $106.38 million, had been in stock for more than six months;

(c) At UNMIL, two aircraft tow motors, each valued at $388,243, had not been used since their acquisition approximately four years ago. In addition, the Mission had 393 generators in stock, despite the standard requirement to maintain only 90 generators (an excess of 303 generators over the required level).

147. **The Department of Field Support agreed with the Board's recommendation that all missions be required to: (a) establish appropriate stock ratios for all categories of property based on mission-specific circumstances; and (b) regularly review their non-expendable property to ensure compliance with the established stock ratios and to avoid situations in which items are held in stock for unduly long periods.**

148. The Department of Field Support commented that: (a) stock ratios set by the Department served as a guide regarding the level of stock deemed to be acceptable for a certain category of asset; (b) the Department had fine-tuned the indicators of performance to separate surplus from overstock in its workplan for the reporting period ending 30 June 2011; (c) UNAMID now prepared monthly reports on non-expendable and expendable property equipment, which were shared with the self-accounting units and served as a guide regarding potential surplus stocks; (d) UNAMID generated key performance indicators that were circulated to the self-accounting units to monitor and facilitate the timely declaration of surplus assets; (e) at UNLB, the Property Management Section already assessed inventory holdings on a regular basis to ensure the correct and proper utilization of existing stock; and (f) UNMIL had started the write-off of unserviceable generators. A dedicated team

was expediting the write-off process, and this was expected to reduce the stock ratio to the established target by the second quarter of 2011.

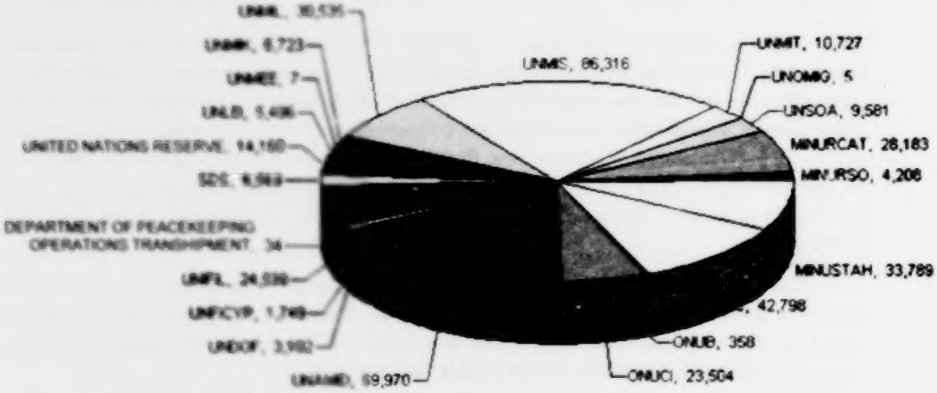
12. Expendable property

149. As at 30 June 2010, the estimated value of unused expendable property was $402 million, an increase of 9 per cent compared with the figure of $368 million at the end of the previous financial year. Figure II.2 shows a breakdown of expendable property by mission.

Figure II.2

Expendable property holdings of missions as at 30 June 2010

(Thousands of United States dollars)



Note: Based on an analysis of Budget Office data.

150. In its previous report, the Board had highlighted deficiencies in the management and control of expendable property, in particular the absence of any disclosure of the value of expendable property in the financial statements, an incomplete physical count and the lack of timely reconciliation of discrepancies. The Board noted that the Administration had taken measures to address those deficiencies, including:

(a) In December 2009, the Department of Field Support had issued a document on key performance indicators and standard operating procedure. One of the indicators listed, concerning "expendable cycle count", was used to monitor the holdings of expendable property in stock, as part of the Department's property management performance measurement system;

(b) In January 2010, the Department of Field Support had launched a project entitled "Strengthening mission inventory management through the establishment of a centrally supervised catalogue of expendable property". The aim of the project was to create a uniform system for identifying expendable material;

(c) The Department of Field Support was disseminating best practices in the management of expendable property through the community of practice for property management, such as the UNMIL guidelines entitled "Six action points on expendables".

151. Despite the actions taken by the Administration, the Board continued to observe similar deficiencies in the management of expendable property.

Non-disclosure in the financial statements

152. In its previous report (A/64/5 (Vol. II), para. 141), the Board had reiterated its previous recommendation that the Administration expedite its preparations for the recording of unused expendable property and disclose its value in the financial statements and/or in the notes thereto. For the period under review, however, the Administration has not yet disclosed the amount in the financial statements or in the notes thereto, and has informed the Board that the disclosure of expendable property would be possible only after reliable data had become available. The Board noted that $402 million in expendable property was reflected in the records of peacekeeping missions.

153. The disclosure of all unused expendable property in the financial statements would improve transparency, accountability and financial reporting, especially in preparing for the implementation of IPSAS. The Board has been informed that the Administration's goal is to disclose the information concerning expendable property in 2013/14. The Board is of the view that the Administration needs to take early and concerted action to develop appropriate policies, procedures and systems if it is to have a reasonable estimate of the value of expendable property and to be ready for disclosure.

154. **The Board reiterates its previous recommendation that the Department of Field Support and the Office of Programme Planning, Budget and Accounts expedite their preparations for the disclosure of expendable property in the financial statements and/or in the notes thereto.**

155. The Department of Field Support commented that it was taking action to strengthen the management of expendable property, including the project designed to ensure that accurate records of expendable property were in place for disclosure in the financial statements in preparation for the introduction of IPSAS.

Physical count and discrepancy reconciliation

156. In its previous report (A/64/5 (Vol. II), para. 146), the Board had recommended that the Administration strengthen the management and control of expendable property by ensuring that accurate records were maintained, physical counts were periodically conducted, discrepancies were promptly investigated and corrective actions were promptly taken.

157. The Board noted that 10 active missions and UNLB had conducted a physical count of more than 80 per cent of their expendable property during 2009/10; at MINURSO, MINUSTAH, UNMIK and UNMIS, the average had been 71 per cent. While there had been an improvement in the physical verification of expendable items, the following deficiencies were noted:

(a) At UNSOA, of 529 items sampled by the Board, the status of 513 (97 per cent) was inconsistent with that recorded in the Galileo system. In particular, 399 items could not be located at the time of audit;

(b) At UNMIS, the status of 7 out of 13 items did not agree with that recorded in the Galileo system, while 6 items had not been found. In addition, a physical verification by the Mission of 190 items indicated that 121 of them were in locations different from those recorded in Galileo. Similar discrepancies were found at UNMIK;

(c) At MONUSCO, inventory counts continued to be conducted by store/warehouse personnel without the presence of staff independent of the inventory management function. In addition, the Kisangani and Kinshasa medical stores were not linked to Galileo, and thus their associated inventory holdings were not included in the total inventory amounts recorded in the system.

158. The Board is of the view that a full and effective physical count, supported by the timely reconciliation of all identified discrepancies, is essential to ensure complete and accurate records of expendable inventories and to facilitate decision-making with regard to expendable property.

159. **The Department of Field Support agreed with the Board's reiterated recommendation that the Administration strengthen the management and control of expendable property by ensuring that accurate records are maintained, physical counts are periodically conducted, discrepancies are promptly investigated and corrective actions are promptly taken.**

160. The Department of Field Support commented that: (a) the corrective actions undertaken by the missions had been noted, especially the establishment of procedures to monitor the expendable property count and a control mechanism to detect and resolve in a timely manner discrepancies in equipment location; (b) MONUSCO had established a centralized control system for monitoring the physical verification of expendable property to provide specialized knowledge and skills for the effective management of the Mission's assets, including those of the medical stores; (c) UNSOA had taken remedial action to enhance existing warehouse procedures and improve inventory control measures, including the prompt updating of the Galileo system; and (d) UNMIS was resolving the discrepancies noted during the physical verifications to ensure the accuracy of the information recorded in the Galileo system.

Stock level and slow-moving assets

161. The establishment and monitoring of minimum, maximum and reorder levels of stock permit the efficient procurement of expendable property and ensure that stock is ordered and stored in economical quantities. The Board, however, noted the following deficiencies in this area:

(a) At UNIFIL, minimum and maximum stock levels had been partially implemented. In particular, of 37,614 expendable items, 13,934 (37 per cent) were either below the minimum or above the maximum level;

(b) At UNMIL, minimum and maximum stock levels had been set for only 65 per cent of the total expendable property, with 13,119 items below the minimum and 3,277 exceeding the maximum stock levels. In addition, there had been no movement with respect to $1.5 million worth of items since their acquisition in July 2008;

(c) Reorder levels had not been implemented at MINUSTAH or MONUSCO.

162. The absence of stock level monitoring could result in the depletion of stock (which could lead to the disruption of operations) and in the holding of stock in

excess of operational requirements, which in turn would increase the risk that expendable stock would become redundant or obsolete.

163. **The Board recommends that the Department of Field Support require that all missions establish comprehensive stock level policies and take appropriate action with regard to slow-moving stock.**

164. The Department of Field Support commented that: (a) it was in the process of preparing further guidance for missions on the management of expendable and non-expendable property, which was expected to be circulated by 31 December 2010; (b) UNIFIL was reviewing its stock of medical expendable property items to establish the required levels, and its self-accounting units had been reminded to regularly verify stock levels to ensure that their procurement activities were guided by existing stock levels; (c) MONUSCO had established a centralized control system for monitoring the physical verification of expendable property, under the lead of the Property Management Section, to provide specialized knowledge and skills for the effective management of the Mission's assets; and (d) the Department would remind UNMIL to ensure strict compliance with the established procedures relating to the monitoring of minimum and maximum stock levels.

13. Strategic deployment stocks

165. Strategic deployment stocks are material reserves intended to support the start-up phase of a complex peacekeeping mission. The objective is to provide equipment and materials to new missions until they are prepared to sustain their own operations, as well as to existing missions and other United Nations entities. As at 30 June 2010, strategic deployment stocks amounted to $91.02 million, a decrease of 4 per cent compared with 2008/09.

Rotation of strategic deployment stocks

166. At UNAMID, UNIFIL, UNSOA and UNMIS, 3,159 items of assets, valued at $13.96 million, were procured during the financial period. However, 3,923 identical or similar model strategic deployment stock assets, valued at $18.52 million, were in stock at UNLB without rotation from 1 July 2009 to 30 June 2010. The procurement by missions of similar assets already held as strategic deployment stocks at UNLB indicates inefficient rotation of strategic deployment stocks, which could lead to additional expenditure in the procurement of such stocks.

167. **The Board recommends that the Department of Field Support, in collaboration with UNLB, require that all missions take existing strategic deployment stocks into consideration in their procurement plans to reduce duplication of procurement of identical or similar model strategic deployment stock assets.**

168. The Department of Field Support commented that it had distributed a policy on the resourcing of equipment and strategic deployment stock rotation, dated 29 September 2009, to all missions instructing them to take existing strategic deployment stocks into consideration in their procurement plans. Additional guidance on this topic was issued to all missions on 14 December 2010.

14. Contingent-owned equipment

Inspection coverage and management

169. At MINUSTAH, shortcomings in the physical verification and inspection of contingent-owned equipment were identified. No verifications or inspections were performed in February 2010, and in June 2010 only 50 per cent of those planned were carried out. In the absence of this key control, there is a risk that verification reports used for the reimbursement of troop-contributing countries might not accurately reflect conditions during a specific period, which in turn might result in inaccurate payments to such countries. MINUSTAH explained that this had been due to vacancies in existing posts and the resulting overload of work for existing staff members, in particular in the light of the increase in mission troop strength following the earthquake.

170. **The Board recommends that the Department of Field Support, in collaboration with MINUSTAH, expedite the appointment of additional personnel to undertake all inspections of contingent-owned equipment.**

171. The Department of Field Support commented that the contingent-owned equipment/memorandum of understanding management programme had been suspended in MINUSTAH on 13 January 2010, following the earthquake. During that period, it had not been possible to conduct inspections with contingents, which had been heavily involved in providing aid to victims of the crisis and dealing with the loss, injury and displacement of their own troops and equipment as a result of the events. The contingent-owned equipment programme had been re-engaged in March 2010, and, with the assistance of staff deployed on temporary duty tour, the Contingent-Owned Equipment/Memorandum of Understanding Management Unit had been able to complete all inspections. The Department of Field Support also stated that it had delegated full selection, recruitment and appointment authority to MINUSTAH in order to streamline its recruitment operations. Of the eight authorized posts in the Contingent-Owned Equipment Unit, four posts were encumbered, the recruitment process for three field service posts had been completed, and only one post was still under recruitment, constituting a significant improvement since the time of the Board's audit in September 2010.

172. The Board also reviewed the verification reports of 37 formed units at UNMIS for the financial year 2009/10 and noted that the inspection dates relating to five verification reports were later than the report dates. UNMIS explained that the dates on the reports indicated when the reports had been initially processed.

173. **The Board recommends that the Department of Field Support require that UNMIS prepare verification reports on contingent-owned equipment only after physical inspections have been carried out.**

174. The Department of Field Support commented that the contingent-owned-equipment database allowed users to create draft reports prior to the conduct of inspections. The draft reports served as templates and were populated with relevant data only after the conduct of the inspections. Therefore, the report date provided was not necessarily meant to indicate the date of the report's completion.

Major equipment not provided in accordance with the memorandum of understanding

175. At UNMIL, the Board reviewed a sample of contingent-owned-equipment verification reports and noted several instances in which the quantities shown in the reports were lower than the quantities shown in the memorandums of understanding with troop-contributing countries. This could jeopardize the Mission's ability to fulfil its mandate.

176. **The Board recommends that the Department of Field Support take appropriate measures to ensure that the troop-contributing countries comply with the requirements of the memorandums of understanding concerning the provision of contingent-owned equipment.**

177. The Department of Field Support commented that the status of contingent-owned equipment was dynamic in nature, as troop-contributing countries periodically disposed/repatriated old, unserviceable equipment and deployed replacement equipment. Thus, the discrepancies noted by the Board were normal. Similarly, the changes in the Mission's operational requirements altered the requirement of major equipment holdings. This necessitated changes in the quantities specified in the memorandums of understanding. The Department concurred with the Board that differences in terms of major equipment holdings should be followed up with troop-contributing countries, but stated that such procedures were already in place in the Mission and were reviewed during the regular proceedings of the Contingent-Owned Equipment/Memorandum of Understanding Management Review Board.

15. Procurement and contract management

178. Procurement is a vital activity of peacekeeping missions, and it is therefore important that missions implement effective bidding processes to ensure competition and good value. It is also important that procurement processes and decisions be subjected to effective independent review by both Headquarters and local committees on contracts. The following deficiencies were noted in both areas.

Short bidding time frame

179. In its previous report (A/64/5 (Vol. II), para. 87), the Board had noted that at some missions, the periods of time allowed for the submission of bids were shorter than the established minimum time frame and had recommended that the Administration ensure that missions complied strictly with that time frame, as indicated in the Procurement Manual. The same observations were made during the period under review. At UNAMID, UNMIS, UNMIT, UNSOA, MONUSCO and UNMIK, there were instances in which the submission time allowed for potential vendors was significantly shorter than the minimum period of time indicated in the Procurement Manual and no justification documents were provided. The response rates for the solicitations were also quite low. For example, at UNAMID, the response rates for 108 of the 153 solicitations sampled were lower than 50 per cent. In particular, all solicitations for requests for proposals had response rates of lower than 50 per cent.

180. Giving vendors a short time to respond may have the following effects: reputable vendors may be excluded from the bidding process, few responses may be received, and the selected vendor may not be appropriate to serve the best interests of the United Nations.

181. **The Board recommends that the Department of Field Support require that all missions allow adequate time for vendors to submit their bids, as provided for in the Procurement Manual, or justify the short time frame provided.**

182. The Department of Field Support commented that: (a) annex D-20 to the Procurement Manual was only a guideline providing indicative timelines to assist in effective acquisition planning; (b) the Procurement Manual did not state that the solicitation periods were mandatory, but rather indicated that various factors should be considered; and (c) the Department considered that justification should, however, be provided for any deviation from the guidelines.

183. The Board is of the view that the aim of a typical timeline for bidding is to reduce arbitrariness in the selection of vendors and to ensure that all potential competitive vendors have sufficient time to formulate a high-quality reply. The examples of low levels of response to solicitations in some missions also indicates that many vendors are given insufficient time to respond.

Acceptance of bids after the closing time

184. The bidding time frame is set to facilitate competitive bidding. In principle, the closing time is a deadline for every potential vendor. Without justification, no bid made after the closing time should be accepted. However, at UNAMID, there were four procurement cases in which the criteria for accepting or rejecting "late bids" (bids made after the closing time) were unclear and inconsistent. For example, one bid that was six hours late was accepted, while another that was only one minute late was rejected. This practice could affect the fairness of the procurement process.

185. **The Board recommends that the Department of Field Support require UNAMID to: (a) establish clear, practical and uniform criteria for accepting or rejecting late bids; and (b) conduct tender opening procedures in accordance with the Department guidelines and, when necessary, record in the tender opening documentation the justification for the acceptance of late proposals.**

186. The Department of Field Support commented that: (a) the Tender Opening Committee and local committee on contracts operations of UNAMID had been completely overhauled; (b) the training of requisitioners in preparing statements of work and technical evaluations was under way; (c) the mission had issued a comprehensive guideline to all staff addressing approach, policy and procedures regarding tender management; and (d) according to the mission, the guidelines were being complied with and the quality of Tender Opening Committee/local committee on contracts presentations had improved. Following the Board's audit, the Resident Auditors were conducting a review of the procurement process in UNAMID that had begun on 25 October 2010.

Vendor performance evaluation

187. Effective performance evaluation is of significance for the selection of competent vendors to provide goods and services. Theoretically, vendors with negative performance records should be excluded from future procurement and missions should take effective measures to enhance the supervision of such vendors. In its previous report, the Board had recommended that all missions prepare vendor performance reports and submit them on a regular basis to the Procurement Division.

The following are examples of shortcomings identified during the period under review:

(a) UNMIT issued a total of 84 purchase orders to regular vendors, but there were no vendor performance evaluation process and performance reports on those vendors;

(b) At UNIFIL, the Board reviewed a number of performance reports on vendors whose commitments had been completed during the period under review and noted that five vendors, which had had several negative evaluations regarding certain aspects, had continued to have relationships with UNIFIL without documented justifications. For example, one vendor had been evaluated 14 times during the financial year 2009/10. In three instances, the receiving office had determined that deliveries had not been made in accordance with the contract; yet, the vendor had been invited to bid and had been issued purchase orders. In another example, comments on a vendor's performance evaluation report had included the words "would not use the specialist again" because the vendor had provided items different from those ordered and had delivered two out of three items on a purchase order late. The vendor had also failed to deliver items under another purchase order. There were no justifications provided by the Procurement Section indicating the reasons for the continued use of these vendors.

188. **The Board recommends that the Department of Field Support require that UNMIT and UNIFIL establish vendor performance evaluation processes in compliance with the Procurement Manual and document the justifications for retaining negatively rated vendors.**

189. The Department of Field Support commented that UNIFIL had issued a Chief Procurement Officer directive (2010/010) in September 2010 to guide the processing of vendor performance reports, while UNMIT had implemented the use of a file checklist of procurement transactions to assess vendor performance.

Headquarters Committee on Contracts/local committee on contracts

190. The Headquarters Committee on Contracts plays an important role in reviewing United Nations procurement activities to ensure fairness, integrity and transparency in the procurement process. The recommendations of the Committee should be fully considered by field missions and Headquarters. The Board reviewed the processes of the Committee and noted that there was no formal mechanism to follow up on the implementation of the Committee's recommendations. The Committee acknowledged that the tracking of the implementation of its recommendations was weak.

191. The Board assessed the performance of the local committee on contracts at UNOCI and found the following:

(a) On one contract, the local committee on contracts had highlighted a number of risks, but no further action had been taken to follow up on those risks and the contract had been approved. This indicated a clear disconnect between the deliberations of the Committee and the decision to approve the contract;

(b) In another case, involving the purchase of air conditioners, the local committee on contracts had queried why only one tender had been received. It had been explained that the contractor was one of the best air conditioning companies in the local market and was a Government contractor, and that not giving the contract to the contractor in question would have created an unworkable situation with respect to the Government. The committee did not follow up by asking what the nature of that unworkable situation would be and whether this was sufficient reason not to seek wider interest in the contract.

192. **The Board recommends that: (a) the Administration establish a mechanism to track the implementation of Headquarters Committee on Contracts recommendations and take appropriate action in a timely manner when concerns are raised; and (b) the Department of Field Support require that the UNOCI local committee on contracts take similar measures.**

193. The Headquarters Committee on Contracts agreed that a mechanism to track the implementation of its recommendations should be established in the Office of the Assistant Secretary-General for Central Support Services, whose decisions on Committee recommendations are to be implemented. In this connection, it was noted that the Office of the Assistant Secretary-General was aware of the issue and agreed that the recommendation should be redirected to the Office, which has management responsibility for the procurement function.

194. The Department of Field Support commented that it would provide guidance to UNOCI on the development of a mechanism to track the implementation of the decisions of the local committee on contracts. The Department would also draw lessons from the system to be developed by the Headquarters Committee on Contracts.

Liquidated damages

195. Liquidated-damages clauses in procurement contracts and purchase orders protect the United Nations in the event that a vendor should fail to deliver goods or services on time. In its previous report, the Board had recommended that UNAMID comply strictly with the requirements set out in the Procurement Manual with regard to liquidated damages. The Board noted that at UNAMID during the period under review, there had been three cases in which delays in delivery had occurred but liquidated damages had not been claimed. The Procurement, Contract Management, and Finance Sections held differing views as to who should be responsible for initiating liquidated-damages claims. The absence of a clearly defined process for initiating such claims exposes UNAMID to the risk of unnecessary losses.

196. At UNMIL, the end user is responsible for notifying the Procurement Section about delays in the receipt of goods and for advising on the need to claim liquidated damages. During the period under review, however, there were 10 cases in which the Mission did not claim liquidated damages with a total value of $29,959.

197. **The Board recommends that the Department of Field Support require UNAMID and UNMIL to establish a robust process, where appropriate, for claiming liquidated damages in a timely manner.**

198. The Department of Field Support commented that UNAMID had acted on the Board's recommendations with regard to enforcing the liquidated-damages clause included in contracts, and that a standard operating procedure would be finalized by 31 December 2010, providing guidance and clarity regarding responsibilities in the application of liquidated-damages claims. The Department also stated that at

UNMIL, action had been taken to invoke the liquidated-damages clause included in the relevant contracts.

Contract management

199. Purchasing goods and services without legal contracts may expose the Organization to the risk of disputes. Similarly, occupying premises without valid lease agreements could expose missions to the risks of eviction, undue lease premium increases and financial penalties. At UNMIT, there was no contract binding the commercial relationship that had existed between the Mission and the supplier of aviation fuel for aircraft at Darwin International Airport since 1 July 2007. UNMIT had submitted three purchase orders, with a total value of $839,237, to the supplier. In addition, MONUSCO continued to occupy a number of premises without valid lease agreements, as the agreements concerning those premises were either under negotiation or pending landlords' signatures.

200. **The Department of Field Support agreed with the Board's recommendation that UNMIT and MONUSCO be required to have formalized contracts in place for the supply of all goods or services by third parties.**

201. The Department of Field Support commented that: (a) in the case of UNMIT, the supplier was the sole provider of aviation fuel at Darwin, which was where the Mission's medical evacuation facilities were located; (b) UNMIT had had no choice but to meet its aviation fuel requirements by means of the supplier and had made strenuous efforts to encourage the supplier to sign a contract that included the United Nations general terms and conditions, but to no avail; (c) the Department would assist the Mission by soliciting assistance and guidance from the Procurement Division on how best to mitigate the associated risks of the current arrangement; (d) MONUSCO had resolved most of the disputes, the number of premises occupied without lease agreements had been reduced from 21 to 8, and efforts were ongoing to regularize the remaining leases before the fourth quarter of 2011.

Ex post facto cases

202. In its previous report, the Board had recommended that the Administration intensify its efforts to reduce the number of ex post facto cases submitted to the Headquarters Committee on Contracts for review. During the period under review, the number of ex post facto cases reviewed by the Committee increased by 48 per cent, from 46 in 2008/09 to 68 in 2009/10. The amounts involved also increased by 48 per cent, from $169 million to $250 million. The Board is of the view that the high number of ex post facto cases impairs the effectiveness of the Committee's reviews, since the associated contracts are already in force.

203. The Office of Central Support Services explained that, of the ex post facto cases reviewed in 2009/10, 45 per cent related to letters of assist, which are strongly influenced by the negotiations between the Department of Field Support and the troop-contributing country and beyond the authority and control of the Procurement Division. An additional 13 per cent of the cases related to the earthquake in Haiti, and thus were considered urgent.

204. A review of the minutes of the meetings of the Headquarters Committee on Contracts during 2009/10 revealed that the main reasons for the ex post facto cases included the late submission of letters of assist, protracted negotiations with

Governments, inadequate procurement planning and contract management, and the exigencies of the situations.

205. MONUSCO did not maintain a list of all ex post facto cases and relied on the minutes of the local committee on contracts as a tool for tracking such cases. In addition, the Mission still had a high number of ex post facto cases.

206. At UNOCI, six ex post facto cases were noted. In two of the cases, services had been rendered without a contract in place, and the mission was unaware of the need for new contracts. In three of the other four cases, the mission had initiated steps to renew or re-tender the contracts, but those actions had not been concluded by the time the contracts expired.

207. **The Board recommends that the Department of Field Support, in coordination with the Procurement Division: (a) endeavour to reduce the number of ex post facto cases; and (b) require that MONUSCO and UNOCI maintain a record of and monitor all such cases.**

208. The Procurement Division commented that: (a) there were operational reasons for ex post facto cases, such as the safety and security of staff, as well as exceptional conditions facing the Secretariat that were beyond its control; (b) with regard to ex post facto cases due to reasons such as contract management, the Division continued to work with requisitioners through training, discussions at the Chief Procurement Officer conference, the pending Contract Administration Tracking System, and the automated reports issued to requisitioners in order to minimize the number of such cases; (c) the Under-Secretary-General for Field Support had recently instructed that all ex post facto cases should be addressed to her Office for her personal review in order to reduce the recurrence of such cases.

209. MONUSCO commented that it had begun the process of resolving ex post facto cases and that that had been the reason for the sharp increase in the number of such cases during the current financial year. The Mission expected that in the following financial year, the number of ex post facto cases would be reduced.

210. The Board had been informed that UNOCI was developing a contract monitoring system to identify contracts approaching their expiry dates, with a view to promoting timely termination, extension or re-tendering in order to help prevent ex post facto cases.

211. At UNAMID, two contracts, valued at $103 million, for the construction of the mission subsistence allowance accommodation and the headquarters office accommodation had been awarded to vendor A in 2009/10. The Board found that:

(a) The bid submitted by vendor A had been received seven days after the tender closing date, but had been accepted without any documented justification;

(b) A financial proposal submitted by bidder B had been printed with the name of vendor A, but the Procurement Section had not investigated whether the two vendors had cooperated to manipulate the bidding process;

(c) In the technical evaluation, comments regarding vendor A had been less favourable than those regarding other vendors, but vendor A had been given the highest score;

(d) Vendor A had an annual turnover of only $4 million, one twenty-fifth of the total contract value. This indicated that the vendor might not have sufficient financial capacity to fulfil his or her contractual obligations;

(e) The local committee on contracts had not inquired about the deficiencies mentioned above, and the Headquarters Committee on Contracts had recommended that UNAMID negotiate with the top three vendors, including vendor A. UNAMID had awarded the contract to vendor A and its parent company, despite the fact that the parent company was not mentioned in vendor A's tender response;

(f) Subsequently, the projects had been delayed, mainly as a result of the inadequate capacity of and preparation by vendor A. At the time of the audit, UNAMID had not claimed liquidated damages from vendor A.

212. The Board is concerned that: (a) it was not presented with any justification for the acceptance of the late bid submitted by vendor A; (b) UNAMID did not respond to the significant risk that vendors A and B would manipulate the solicitation process; and (c) the criteria for the technical evaluation were unclear and not uniformly applied, potentially impairing the fairness of the procurement exercise.

213. **Given the scope of the contract and the risks involved, the Board recommends that the Department of Field Support request the services of OIOS for the conduct of a thorough review of the awarding of the two contracts for the construction of the mission subsistence allowance accommodation and the headquarters office accommodation.**

214. **The Board also recommends that the Department of Field Support emphasize the need for UNAMID to strictly comply with the requirements set out in the Procurement Manual with regard to the solicitation and evaluation of bids.**

215. The Department of Field Support commented that on 25 October 2010, following the Board's audit, the Resident Auditors had initiated a review of the procurement process at UNAMID. On the basis of the outcome of the review, further action would be taken on the recommendation.

16. Human resources management

Vacancy rates

216. As at 30 June 2010, the overall vacancy rates in the 15 peacekeeping missions were 16 per cent at stable missions, the same as in the previous year, and 43 per cent at start-up missions, compared with 35 per cent as at 30 June 2009. In both instances, this was higher than the established benchmarks for vacancy rates, 15 per cent and 20 per cent, respectively (see annex VII). In addition, as at 30 June 2010, the average vacancy rate for senior- and middle-level posts was 25 per cent, an improvement compared with the average rate of 32 per cent as at 30 June 2009 (see annex VIII).

217. At UNMIS, UNAMID, UNLB and UNSOA, high vacancy rates were observed in respect of overall staff, international staff and staff in the Professional and higher categories (see table II.12). At MINUSTAH, MONUSCO and UNMIL, high vacancy rates were also observed at both the senior- and middle-management levels (see table II.13).

Table II.12

Vacancy rates for overall staff, international staff and staff in the Professional and higher categories at UNMIS, UNAMID, UNLB and UNSOA

(Percentage)

	Vacancy rate			
	UNMIS	*UNAMID*	*UNLB*	*UNSOA*
Overall staff	**17**	**24.5**	**12.7**	**41.4**
International staff	23.6	27.6	25	43.4
Staff in the Professional and higher categories	32.3	36.4	29.7	32.8

Note: Based on data contained in management letters of UNMIS, UNAMID, UNLB and UNSOA.

Table II.13

Vacancy rates for staff at the senior- and middle-management levels at MINUSTAH, MONUSCO and UNMIL

(Percentage)

	Vacancy rate		
	MINUSTAH	*MONUSCO*	*UNMIL*
Senior-management level (P-5, D-1 and D-2)	11.6	25.3	34.1
Middle-management level (P-2/1, P-3 and P-4)	15.8	28.1	25.7

Note: Based on data contained in management letters of MINUSTAH, MONUSCO and UNMIL.

218. As table II.14 shows, at several missions, posts were vacant for long periods of time without any recruitment action. In one case, the delay was approximately 10 years. This indicates that the positions may no longer be needed, especially if the missions are discharging their mandates satisfactorily using existing resources.

Table II.14

Vacancy rates in five missions (UNMIS, UNAMID, UNIFIL, UNLB and UNSOA)

Mission	*Number of vacant posts*	*Average length of vacancy (days)*	*Longest length of vacancy (days)*
UNMIS	270 international/516 national	340	1 317
UNAMID	427 international	Vacant since posts were established	—
	515 national	365	—
UNIFIL	96 international/177 national	857	4 091
UNLB	22 international/18 national	299	—
UNSOA	66 international/43 national	365	486

Source: Board analysis of OIOS data as at 30 June 2010.

219. **The Board recommends that the Department of Field Support conduct a review on long-vacant posts to determine whether they are still needed and take appropriate action, as necessary.**

220. The Department of Field Support commented that: (a) the Department conducted periodic reviews and analysis of long-term vacancies in all missions, addressing them through recruitment, redeployment or the abolishment of posts, in accordance with mission needs; (b) this practice had led to a reduction in a vacancy rate at UNMIS from 17.7 per cent in June 2010 to 15.1 per cent in January 2011; and (c) UNIFIL had abolished 104 posts and had since reduced its international vacancy rate from 23 per cent to 16 per cent, and, as of January 2011, had only 67 vacant posts, including 25 in the final recruitment stages and 4 that had been blocked owing to the pending finalization of the host-country agreement.

Recruitment lead times

221. Lengthy recruitment lead times can have an adverse impact on mission operations and may also contribute to high vacancy rates. As table II.15 shows, despite a target of 75 days from the date on which a vacant post is advertised to the date on which it is filled, the actual recruitment lead times in several missions were considerably longer. For example, an analysis of sampled posts indicates that at MONUSCO, UNMIK and UNMIL, the period from the date on which the post became vacant to the date on which it was filled averaged more than 120 days, with the longest such period being 1,157 days.

Table II.15

Recruitment lead times in UNMIS, UNAMID, UNIFIL and UNSOA

(Average number of days)

	Recruitment lead time			
Mission	*For international staff*	*Longest lead time (international)*	*For national staff*	*Longest lead time (national)*
UNMIS	173	380	133	612
UNAMID	191	507	—	—
UNIFIL	315	534	283	465
UNSOA	158	292	—	—

Source: Board analysis of mission data.

222. **The Board reiterates its previous recommendation that the Department of Field Support take appropriate measures to reduce recruitment lead times for needed vacant posts.**

223. The Department of Field Support commented that, since January 2010, it had been implementing a new talent management approach to workforce planning in the field. This approach was designed to streamline recruitment and considerably reduce lead times by centralizing most of the recruitment process and establishing rosters of suitably qualified candidates who can be deployed immediately upon their selection by a mission. The Department indicated that it expected to see the benefits of this new approach in the recruitment process during 2010/11 and that it was currently working with missions to address their unique and specific issues relating to vacant posts.

224. The Department of Field Support also commented that: (a) owing to the security situation and other factors in Somalia, it was difficult for the Mission to

attract candidates; (b) the Department had organized a training workshop in Brindisi for missions, including UNMIK, from 28 to 30 June 2010 to provide hands-on training in nucleus and policy guidance regarding the staff selection system; (c) UNAMID had taken several measures to reduce recruitment lead times and had made progress in that regard; (d) MONUSCO had begun to recruit candidates fostered by the field central review body in July 2010 and had identified suitable candidates from downsizing operations to fill vacancies in the Mission; and (e) in August 2010, the Department of Field Support had delegated to UNMIL full authority for recruitment and filling of all vacancies up to the D-1 level. This delegation of authority, which is part of the new talent management approach and the streamlined procedures, is expected to further enhance the Mission's recruitment performance.

Lead times for post classification

225. Missions submit post classification requests to the Department of Field Support when a new post is established or when the duties and responsibilities of a post have changed substantially. From 1 July 2009 to 14 October 2010, the Department received a total of 2,431 post classification cases, of which 1,139 cases (47 per cent) have been completed, compared with 14 per cent in the financial year 2008/09. It is important that such requests be dealt with promptly, because long delays in the filling of posts could adversely affect the morale and performance of the relevant staff.

226. The Board found that on average, it had taken 93 days from the date on which the Department received a request to the date on which the mission was notified of the decision. The remaining 1,292 cases had been pending for periods ranging from 43 to 223 days, with an average of 104. The delay was explained in part by the lack of an automated database to record, process and track all classification cases, and therefore all post classification cases were required to be processed manually.

227. **The Board reiterates its previous recommendation that the Department of Field Support: (a) expedite all requests for the classification and reclassification of posts; and (b) consider measures to automate the post classification process.**

228. The Department of Field Support commented that it continued to consider ways to improve and streamline the classification process, taking into consideration the available resources.

Performance appraisal system

229. Staff performance appraisal is an important part of the United Nations accountability framework. Administrative instruction ST/AI/2010/5 and Corr.1 requires that staff members holding appointments of at least one year, except for staff at the level of Assistant Secretary-General who report to the Under-Secretary-General in their respective area of work and staff at the level of Under-Secretary-General who report directly to the Secretary-General, be appraised annually for the 12-month period ending on 31 March each year. The Board found that significant numbers of staff in missions had failed to complete their performance appraisals. For example, at UNLB, UNMIT and UNSOA, the percentages of international staff who did not complete their performance appraisals for the 2009/10 cycle using the electronic performance appraisal system (e-PAS) were 16, 13 and 56 per cent, respectively. At UNAMID and UNLB, 8 per cent and 17 per cent of national staff

members, respectively, did not complete their performance appraisals for the 2009/10 cycle, while at UNMIK the average completion rate was 64 per cent as at 30 June 2010.

230. The Board found that missions were experiencing difficulties with the e-PAS system. It was not possible, for example, to determine the status of compliance with regard to staff appraisals at either UNMIS or UNMIL. Staff at UNMIL reported having experienced technical difficulties when completing their appraisals.

231. Despite their incomplete appraisals, staff were awarded step increments in pay and contract extensions. For example, at UNAMID, seven staff members with incomplete appraisals were granted step increments, while 11 such staff were granted appointment extensions. Similarly, 44 such staff members at UNLB were awarded step increments and contract extensions.

232. **The Department of Field Support agreed with the Board's reiterated recommendation that all missions implement procedures to ensure that performance appraisals are completed and signed in a timely manner.**

233. **The Board also recommends that the Department ensure that UNAMID and UNLB adhere strictly to the administrative instruction and the Human Resources Handbook by awarding step increments and contract extensions to staff members against their performance appraisals.**

234. UNAMID confirmed that the extension of staff members' appointments in the cases noted by the Board had been based on the recommendations of programme managers. UNLB explained that the e-PAS had not been completed because of technical difficulties that had been reported to Headquarters. The staff members whose e-PAS had not been submitted owing to technical reasons had not been penalized by withholding either the signing of their letters of appointment or their step increments. However, those cases had been reviewed by management prior to their approval.

235. The Department of Field Support commented that it placed strong emphasis on the achievement of 100 per cent compliance with the e-PAS requirements and that it would provide training and other tools to missions to assist in the attainment of that objective. The Department also commented that, while it provided support and training to missions on e-PAS, the database was owned by the Office of Human Resources Management. The Department indicated that it had been affected by instability in the database, which had sometimes made extracting information from it difficult. However, UNMIL was currently piloting the new e-performance system, which was expected to improve on the e-PAS system.

17. Air operations

236. As at 30 June 2010, there was a fleet of 249 aircraft, consisting of 182 rotary-wing and 67 fixed-wing aircraft, deployed in support of 11 peacekeeping missions (excluding aircraft supporting political missions). All aircraft had been obtained either through long-term charter agreements with commercial aircraft providers or through letters of assist concluded with Member States.

237. The approved peacekeeping air transportation budget for the period from 1 July 2009 to 30 June 2010 was $927.37 million. Total expenditure was $875.26 million, representing 94 per cent of the appropriation. The approved budget for aircraft

rental and operations was $675.75 million (73 per cent of the total air transportation resource budget), while expenditure totalling $665.46 million was incurred.

Air operations resource utilization

238. Given the costs involved in air transportation, it is important that missions make every effort to use aircraft efficiently by, for example, minimizing the number of "no flight required" days[4] and maximizing occupancy rates.

239. At UNAMID, there were a number of "no flight required" days for most aircraft. After all factors that might affect the number of such days had been excluded, there were still 25 aircraft with a cumulative net total of 1,062 "no flight required" days, with the mission's sole Learjet 60 accounting for 150 such days. UNAMID explained that one third of the flights of the Learjet 60 were made to carry out aerial medical evacuation tasks. However, three helicopters were already deployed in Darfur for medical evacuation purposes and each had had more than 170 net "no flight required" days. The deployment of three helicopters in addition to the Learjet 60 in Darfur for aerial medical evacuation appeared excessive.

240. At UNMIT, on the basis of the assumption that the Mission was operating regular flights to Denpasar and Darwin airports, the planned flight hours in the proposed budget had been expected to support two round-trip flights, with each being made by one aircraft. However, one of the round-trip flights had not been made, and both aircraft had been tasked with the remaining round trip.

241. The Administration commented that a subsequent review had revealed that it was not viable to operate flights to Denpasar. The Board, however, is of the view that, since the Mission originally expected that one aircraft could make the round trip, it might be redundant to use two aircraft to do so.

242. At MINURSO, the Board, using published flight manifests, analysed the flight capacity and actual occupancy rate utilization of one AN-26 aircraft for the month of June 2010 and noted that only 7 of the 40 flights made had more than a 50 per cent occupancy rate. No flight during the period was full. MINURSO cancelled flights when they were not required.

243. At UNOCI, the Board undertook an analysis of the usage of a fixed-wing aircraft with a seating capacity of 40 during the month of November 2009 and noted that, of the 61 flights made, 14 (23 per cent) had 3 or fewer passengers and only 11 (18 per cent) had more than a 50 per cent occupancy rate.

244. **The Board recommends that the Department of Field Support require all missions to analyse the factors leading to the underutilization of aircraft and take appropriate action to enhance the efficiently and cost-effectiveness of aircraft utilization.**

245. The Department of Field Support commented that: (a) the nature of peacekeeping operations did not allow optimum passenger/cargo transportation on all flights, and it was deploying an interdisciplinary team to missions to assess how to make the best possible use of air assets; (b) UNAMID had been undertaking a continuous analysis to make the best use of its air assets so that it could meet its

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[4] "No flight required" days are days on which no task is envisaged for the air carrier and the carrier is not penalized.

operational and logistical support requirements, and the continued analysis of its air fleet had resulted in a reduction in air resources; and (c) UNOCI had undertaken an appropriate analysis taking into account costs, efficiency, aircraft utilization and the needs related to the incoming electoral process and had restructured the civilian and military components of its air assets fleet accordingly. Following the completion of the electoral process, a thorough assessment of the composition and relevance of a segment of the fleet would be undertaken, together with a comprehensive integrated assessment of alternative modes of transportation.

Recovery of flight costs shared by other United Nations entities

246. At MINURCAT, data supplied to the Board by the Aviation Section showed that approximately $1.5 million in aviation services had been provided to United Nations agencies and other entities but had not been recovered. The Aviation Officer-in-Charge explained that the costs of flights were not recovered when flights were sanctioned by mission senior management as sponsored flights by MINURCAT in accordance with the Mission's mandate. Détachement intégré de sécurité passengers were accommodated when space was available. The Board, however, had been informed that the Mission's Technical Compliance Unit was taking action to recover the costs of non-MINURCAT flights and that invoices had been submitted to its finance department and to Headquarters.

247. **The Department of Field Support agreed with the Board's recommendation that the MINURCAT Technical Compliance Unit follow up with regard to the estimated $1.5 million in unrecovered costs for aviation services provided to United Nations missions, agencies and other bodies in 2009/10 with a view to achieving full reimbursement.**

248. The Department of Field Support commented that the Mission was taking the action necessary to fully recover the outstanding amounts by 31 December 2010.

Air operations data management

249. The air operations data management systems used by the Air Transport Section of the Department of Field Support were developed in-house to permit the acquisition of air services, budget estimation, the review and analysis of mission aviation information, and the evaluation of mission aviation performance. The Board examined Air Transport Section data and noted that: (a) the operational data were inconsistent and incomplete; (b) the budget estimation tool ("Costing 15") and the monthly aviation reports of two missions showed that no fixed-wing aircraft had been deployed, but flight hours by fixed-wing aircraft had been recorded; and (c) actual flight hours varied significantly from budgeted flight hours in five missions. Without accurate data, the Section would not be able to carry out an efficient analysis of the utilization of the aviation budget.

250. **The Department of Field Support agreed with the Board's recommendation that the Air Transport Section be required to: (a) strengthen its data monitoring systems to ensure the completeness and accuracy of aviation data; and (b) enhance its analysis of the utilization of budgeted flight hours to identify the scope for achieving improved efficiency in air transport.**

251. The Department of Field Support commented that it was in the process of procuring a new integrated aviation management information system, which was expected to significantly improve the monitoring of missions' use of air transport.

Special flights

252. At MONUSCO, special flights accounted for 53 per cent of the total number of flights (5,425 out of 10,188 flights). Some of the special flight requests were not submitted within the stipulated 48 hours. In addition, the standard operating procedures on emergency or late bookings had not yet been finalized. A high number of special flights, combined with unclear operating procedures, could have an adverse impact on the Mission's regular operations.

253. **The Board recommends that the Department of Field Support require that MONUSCO: (a) implement adequate planning to avoid a high number of special flights; (b) implement and comply with the requirements of standard operating procedures for the processing of special flight requests; and (c) expedite, in consultation with Headquarters, the approval and implementation of the standard operating procedures on emergency or late booking requests.**

254. The Department of Field Support commented that the regularization of some special flights was not practical, owing to the complexity of the Mission's dynamic operations in terms of logistical support. For example, special flights and medical and casualty evacuations could be planned or scheduled in advance. However, the Mission had already regularized some flights, such as routine cargo flights. The Department indicated that Mission management had emphasized to all staff the importance of complying with the established procedures relating to emergency or late booking requests, and that procedures for emergency or late booking had been incorporated into the guidance on the electronic movement of personnel (e-MOP) system.

18. Vehicle fleet management

Vehicles donated and handed over

255. In April 2008, UNAMID received 1,295 vehicles, valued at $14 million, donated by AMIS. Since the Controller's approval review and acceptance were still pending, the donated vehicles had not been recorded in the Galileo and financial systems, but rather in a temporary database. UNAMID could not therefore provide complete and accurate details on, for example, mileage, fuel consumption or trip tickets. In addition, 1,151 vehicles were recorded in a simple UNAMID self-designed system, while detailed information about the other 144 was lacking. The Board considered that there was insufficient control over the records regarding these donated vehicles, which could expose the United Nations to the risk of vehicle loss.

256. The Department of Field Support explained that UNAMID, in coordination with the Department, was processing the required documents to record the vehicles in the Galileo system and that a total of 520 of the vehicles had been identified for write-off as of October 2010.

257. According to the repatriation verification report of 29 November 2009, the Canadian contingent had donated 23 vehicles to UNAMID. According to six consecutive verification reports, it had been verified that those vehicles were contingent-owned equipment. However, at the time of the Board's audit, UNAMID

stated that the quantity of the vehicles handed over was 17 and that the other 6 vehicles were United Nations-owned equipment. Nevertheless, the mission could not provide proof of the ownership or existence of those 6 vehicles.

258. **The Department of Field Support agreed with the Board's recommendation that UNAMID be required to: (a) carry out an investigation into the donated vehicles, especially those that had not been located, and take appropriate measures on the basis of the results of the investigation to verify their existence; and (b) record the donated vehicles in the Galileo system and manage them under the same terms and conditions as the United Nations-owned vehicles.**

259. The Department of Field Support informed the Board that UNAMID had commenced an investigation into the donation of vehicles to the Mission by the Government of Canada. The investigation was expected to be completed by 30 November 2010.

Vehicle entitlement

260. The Department of Peacekeeping Operations Standard Ratio and Cost Manual provides clear guidelines regarding how many light passenger vehicles a mission should have, based on the number of personnel in the mission, as well as the number of senior officials. At Headquarters, the Surface Transport Section of the Department of Field Support is responsible for reviewing the missions' proposed vehicle budgets and submitting recommendations to the Field Budget and Finance Division for its consideration and action. However, there was no evidence that the Section's recommendations had been considered sufficiently.

261. For example, the Surface Transport Section disagreed with the acquisition of 32 medium buses and 8 minibuses for UNMIS, but the budget for UNMIS submitted to the General Assembly (A/63/714) indicated that an additional acquisition of 39 buses had been approved. Similarly, the Section disagreed with the vehicle acquisition budget of UNAMID owing to the mission's high vacancy rates and the availability of surplus AMIS vehicles. However, the surface transport acquisition budget submitted to the General Assembly (A/63/717) remained unchanged. At UNMIT, the actual number of light passenger vehicles exceeded the standard by 79 vehicles.

262. **The Board also recommends that the Department of Field Support require that UNMIT: (a) comply with the Standard Ratio and Cost Manual with regard to vehicle establishment; and (b) provide documented justifications for any deviations from the Manual.**

263. The Department of Field Support commented that at UNMIT, the most recent meeting of the Vehicle Establishment Committee had been held in August 2010, following the Board's audit, resulting in a comprehensive review of vehicle allocations to all sections/units, and that an adjustment had been made on the basis of operational needs. According to the Department, the Mission's overall passenger vehicle holdings for the 2010/11 financial period were now in line with the established procedures.

Cannibalization and maintenance of vehicles

264. If the efficiency of vehicle utilization is to be improved, a factor that needs to be considered in deciding whether or not to replace vehicles is the likely cost of

maintenance. At MONUSCO, two serviceable vehicles, whose odometer readings were 42,609 and 41,802 km, respectively, were brought to the workshop for repairs and were cannibalized. MONUSCO explained that the vehicles were in the workshop for a long time, owing to a shortage of spare parts. A decision was taken to cannibalize them for spare parts. No documented justification was, however, provided to support the decision. In addition, the maintenance costs of some vehicles over their useful lives exceeded or were close to their initial cost. Some vehicles required maintenance whose one-time cost exceeded their depreciated book value by more than 30 per cent. Furthermore, the cost of maintenance was not adequately monitored or compared with the cost of acquisition and the depreciated book value.

265. At MINUSTAH, there were 173 vehicles that had reached their replacement or write-off period as of October 2010 but were still in use. There was no supporting documentation to indicate that a cost/benefit analysis had been performed to support the continued use of the vehicles, as required by Department of Peacekeeping Operations rules.

266. **The Board recommends that the Department of Field Support require: (a) that MONUSCO maintain inventory levels of spare parts for vehicles, which will obviate the need for cannibalization; and (b) that MONUSCO and MINUSTAH regularly monitor the cost of maintaining the vehicles under their control and keep documentary evidence of the cost/benefit analysis used to support the continued use of vehicles reaching their replacement or write-off period.**

267. The Department of Field Support made the following comments. At MONUSCO, when the two vehicles were checked for repairs in November 2007 and February 2008, the security risk was high, with insufficient ground transport support resources to meet operational challenges. There was an urgent requirement to return vehicles to operational use, and, owing to a lack of required spare parts, the Mission resorted to cannibalizing those assets to meet immediate operational requirements. Mission management considered this case exceptional. In addition, MONUSCO was reviewing its current spare parts acquisition process, delivery timelines and systems contract with a view to developing a spare parts procurement programme to better serve its needs. This project would be completed during the first quarter of 2011. Furthermore, the new enhancements under development in the Galileo Inventory Management System would help the Mission to better estimate its spare parts requirements.

268. The Department of Field Support also commented that the replacement criteria were minimum requirements and did not preclude the exercise of judgement on the basis of individual circumstances. The Department added that MINUSTAH had initiated action on the cost/benefit analysis, which was expected to be completed by 31 December 2010. Additionally, the replacement of vehicles meeting write-off criteria would continue through the normal budget process. Where vehicles were required to be kept beyond the write-off period pending the availability of funds for their replacement, MINUSTAH would maintain the current strategy of keeping only those that were in relatively good condition and whose continued use would have no negative impact on transport operations. The Department also commented that, in conjunction with MONUSCO, it was working towards replacing vehicles through the usual budget and acquisition process. During the budget preparation process, all

factors associated with fleet cost are taken into consideration, such as operational, maintenance and replacement costs.

Liberty usage

269. The use of vehicles for personal reasons by mission staff could lead to avoidable increases in vehicle fuel and maintenance costs. The Board found inconsistent and inadequate mechanisms in missions to monitor and control the liberty usage of vehicles. For example:

(a) UNMIL and UNOCI did not distinguish between business and private travel, and all travel within mission areas after working hours was deemed to be non-liberty mileage;

(b) At UNMIS, no liberty mileage records were kept and no liberty mileage reimbursements had been charged since the establishment of the Mission;

(c) At UNMIK, of 660,321 km travelled for off-duty purposes, only 107,278 km was recorded as liberty mileage and charged to staff members, while the balance of 553,043 km was recorded as non-liberty mileage.

270. **The Board recommends that the Department of Field Support require all missions to monitor the use of vehicles and record all liberty usage on a consistent basis, and to recover the related charges from the staff members concerned.**

271. The Department of Field Support commented that UNMIK had issued a directive on the off-duty usage of vehicles, while UNOCI had developed a plan on liberty mileage charges to enforce the provisions of the surface transport manual, which would be implemented in January 2011. The Department also commented that, owing to the Mission's political and security situation, UNMIS had repeatedly disapproved the use of vehicles for liberty purposes. Nevertheless, UNMIS acknowledged that it was essential to have a mechanism in place to charge for the use of vehicles for private purposes whenever applicable. In this respect, an administrative circular was being drafted that would clearly define the full procedure, which would also encourage the organization of centrally organized welfare trips. The circular was expected to be issued before 30 December 2010. The Department of Field Support noted the specific environmental conditions in UNMIL, but had requested the Mission to conduct a cost/benefit analysis to support its view that the cost of implementing a liberty mileage programme would outweigh any financial benefit it might provide.

19. Fuel management

Fuel and related cost recovery

272. UNMIL had not yet implemented adequate control mechanisms with respect to the duty-free fuel issued to tenants and had not recorded procedures for recovering the cost of the electricity provided to staff residences. Moreover, the Mission had not billed staff members living in the appropriate residences despite the passage of several years, resulting in a loss of funds for the Mission.

273. In its previous report, the Board had recommended that UNMIL perform regular follow-up with air operators on outstanding balances relating to recoverable fuel costs. However, such follow-up actions were not performed, although

improvements were noted. As at 30 June 2010, the amount outstanding remained $200,280, of which $80,895 had been outstanding for more than one year. As a result, UNMIL might not be able to recover the amounts involved.

274. **The Department of Field Support agreed with the Board's recommendation that UNMIL be required to: (a) introduce mechanisms to monitor electricity usage and to bill residences for such usage; and (b) comply strictly with the requirements of UNMIL information circular No. 2006/07, on billing for the use of electricity by staff residents.**

275. **The Board reiterates its previous recommendation that the Department of Field Support require UNMIL to perform regular follow-up with air operators on outstanding balances relating to recoverable fuel costs.**

276. The Department of Field Support stated that UNMIL had established a five-member task force to develop appropriate controls to monitor fuel delivery and the recovery of the cost of electricity supplied by the Mission's generators. The task force had held three meetings and was in the process of developing controls over the distribution, storage and use of duty-free fuel, including the establishment of stringent quotas for apartment compounds. The results of the task force would be published in the form of an administrative instruction by the first quarter of 2011.

277. The Department also commented that significant progress had been made in clearing the receivables that had been outstanding for more than one year. The Finance Section of UNMIL would continue to follow up with the Field Budget and Finance Division on recoveries to be obtained from air operators under the respective air charter agreements with the Air Transport Section at Headquarters.

20. Rations management

Claims for discounts

278. Missions have rations contracts with suppliers that provide for discounts if troop numbers exceed a certain threshold. Despite the fact that troop numbers at UNAMID exceeded that threshold during the third, fifth and sixth periods of 2010, which would have required the contractor to provide a 1 per cent discount on the cost of rations, the discount was not claimed. After the Board had raised this issue with the mission, UNAMID claimed the discount, amounting to $47,134, for the third period of 2010.

279. **The Department of Field Support agreed with the Board's recommendation that UNAMID be required to: (a) claim the discount entitlements for rations for the fifth and sixth periods of 2010; and (b) monitor actual troop strength in order to secure the rations discount in accordance with the rations contract.**

280. The Department of Field Support commented that: (a) UNAMID had implemented the recommendation and the vendor had been issued a credit note for $47,126.40, which had been processed in August 2010; (b) the mission was now closely monitoring troop strength to ensure that the agreed discount was reflected on the invoices of the vendor; and (c) the mission had advised the vendor to reflect the 1 per cent discount on all future invoices, which was being complied with.

Rations reserve stocks

281. The lack of adequate reserve stocks of meals ready to eat and bottled water at missions could lead to shortages in the event of emergencies and could adversely affect the operations of the contingents concerned.

282. At UNMIT, a site inspection on 3 August 2010 indicated that there was no stock of meals ready to eat in the contractor's warehouse, despite the requirement that seven days' worth of stocks of such meals and of bottled water should be maintained in the rations contractor warehouses for formed police units. Similarly, at MONUSCO some contingents kept inadequate emergency reserves of meals ready to eat and bottled water.

283. **The Department of Field Support agreed with the Board's recommendation that UNMIT and MONUSCO be required to maintain adequate rations reserve stocks at all times, as required.**

284. The Department of Field Support stated that: (a) UNMIT had acted on the Board's recommendation and had received 15,000 meals ready to eat in October 2010, and the Mission currently had the full amount of composite ration packs stocks in place in accordance with the Mission's requirements; and (b) MONUSCO had also taken corrective action to address shortfalls in emergency reserves.

21. Information and communications technology

Access control

285. Administrator privileges provide wide-ranging rights to gain access to mission information technology systems to resolve operating problems or correct data or transaction details. The system automatically logs access gained by administrators and the actions taken. However, at MINURSO and UNDOF, there was no formal process for the review of administrator activity to verify the reasons for access and the actions taken. In addition, at MINURSO, a staff member with Administrator privileges had recently downloaded onto his computer unauthorized software with hacking capabilities. The information and communications technology unit had discovered this by chance, and the software had been removed.

286. **The Department of Field Support agreed with the Board's recommendation that all missions be required to establish and implement strict access control policies, including a password policy and a policy prohibiting unauthorized software.**

287. The Department commented that: (a) UNDOF had implemented a weekly analysis of the automated administrator activity log to verify the reasons for the actions taken by an Administrator and any trends with respect to system functionality; and (b) MINURSO had been advised to continuously monitor traffic for traces of unauthorized software, to review existing compliance assurance controls and to implement changes commensurate with the level of risk identified.

Disaster recovery and business continuity

288. It is essential that missions establish robust disaster recovery and business continuity arrangements to keep operations running in the event that information technology is disabled. At UNFICYP, business continuity arrangements did not cover all the key elements of the mission's operations, while UNSOA did not have a

disaster recovery and business continuity plan, information security policies or a backup process.

289. **The Department of Field Support agreed with the Board's recommendation that UNFICYP and UNSOA be required to establish a comprehensive disaster recovery and business continuity plan.**

290. The Department stated that at UNFICYP, a mission-specific disaster recovery and business continuity plan was being developed and would be tested by the first quarter of 2011, while at UNSOA an overall disaster recovery and business continuity plan as well as its information security plan would be completed by the second quarter of 2011.

291. The Board noted a number of safety shortcomings in mission disaster recovery rooms and at data centres. For example, at MINUSTAH, fire prevention equipment had not been installed in the Mission's disaster recovery rooms or server rooms, and at UNSOA the data centre had not installed any temperature or smoke detectors, nor had it installed a fire alarm probe, video cameras or fire extinguishers.

292. **The Board recommends that the Department of Field Support require that MINUSTAH and UNSOA establish and maintain an information technology environment with adequate security protection.**

293. The Department of Field Support commented that at MINUSTAH, the installation of the fire suppression system (turnkey) project had commenced and that its anticipated completion date was 31 December 2010, while at UNSOA a temporary data centre at the United Nations Office at Nairobi was being reinforced.

22. Internal audit function

Implementation of the audit workplan

294. The Board noted that in 2010, there had been an increase in the rate of completed internal audits compared with the previous year (see table II.16). Of the 135 assignments planned for 2010, 97 (72 per cent) had been completed as of December 2010. It is recognized that audit planning is dynamic and must respond to changes in mission circumstances, audit resources and auditee needs, and that assignments need to be carried over from one year to the next.

Table II.16
Execution of the audit workplan of OIOS from 2008 to 2010

Year	*Number of planned audits*	*Number of completed audits*	*Percentage completed*
2008	179	99[a]	55
2009	178	108[b]	61
2010	135	97	72

Note: Based on data provided by OIOS.
[a] As at 31 October 2008.
[b] As at 31 December 2009.

295. At certain missions, audit cancellations and delays were observed. For example, at UNMIL, 15 audits had been planned for 2009. However, only seven reports were finalized in 2009, while six were finalized during 2010.

296. **The Board reiterates its previous recommendation that OIOS continue to closely monitor the workplans of the Resident Auditors to ensure that audits are conducted and finalized in a timely manner.**

297. OIOS commented that the management of the Internal Audit Division held monthly meetings with resident audit offices and that the Chief of the Peacekeeping Audit Service interacted on a regular basis with resident auditors to closely monitor the implementation of the workplans.

Lead times for the issuance of internal audit reports

298. The audit manual of OIOS requires that all reports be issued within 75 working days of the completion of field work. The Board noted there had been an average of 86 days between the field work end date and the draft report issuance date, and an average of 83 days between the draft report issuance date and the final report issuance date. In other words, it had taken an average of 169 days to issue the final reports.

299. **The Board reiterates its previous recommendation that OIOS ensure that the resident audit offices observe the deadline for issuing audit reports or amend the estimated completion dates, if necessary.**

300. OIOS commented that the recommendation had been implemented and that efforts would continue to establish more realistic milestones and to closely monitor individual audit plans.

C. Placement and distribution of OIOS investigative capacity

301. The General Assembly, in its resolution 63/287 on the support account for peacekeeping operations, decided not to introduce the Secretary-General's proposed structure and staffing, based on the hub approach, for the Investigations Division of OIOS, but rather to designate, as a pilot project, centres of investigation in Nairobi, Vienna and New York from 1 July 2009 to 30 June 2012. It requested the Advisory Committee on Administrative and Budgetary Questions to request the Board to conduct an audit of the implementation of the pilot project for the above-mentioned period, without prejudice to the role of the Independent Audit Advisory Committee, and to report separately thereon to the General Assembly at the second part of its resumed sixty-sixth session.

302. In its letter dated 31 July 2009, the Advisory Committee on Administrative and Budgetary Questions, recognizing the importance of a well-functioning Investigations Division and concerned about the assertions made by OIOS that the current distribution of its investigative capacity was not optimal for the functioning of the Division, requested the Board to examine the appropriateness of the placement and distribution of the investigative capacity of OIOS, taking into account the Division's workload and cost-effectiveness. While the issue of the pilot redeployment of resources and the question posed by the Advisory Committee are closely linked, this section of the present report deals with the results of the Board's examination of this request by the Advisory Committee.

303. The proposal to restructure the Investigations Division relates to mission investigations funded by the support account for peacekeeping operations. In addition, the key issues regarding the placement and distribution of the investigative

capacity of OIOS relate to the balance between hub and field (or resident) investigators with respect to peacekeeping missions. For those reasons, the Board's examination was focused mainly on investigations and posts funded by the support account.

304. In broad terms, "the hub structure" refers to situations in which OIOS investigators are posted at regional hubs. They deal with matters for investigation arising in any field mission within the region covered by their hub. "The resident structure" refers to situations in which investigators are posted full-time at individual field missions. They deal with matters for investigation arising in the mission at which they are posted.

305. In examining the appropriateness of the placement and distribution of the investigative capacity of OIOS, the Board was mindful that it would be inappropriate for external auditors to question the operational judgements of professional investigators concerning how best to deploy investigative resources. The Board therefore focused on whether OIOS had good evidence to support its assertions and decisions regarding resource deployment.

Availability of appropriate management information with respect to OIOS investigations

306. Decisions regarding resource deployment, while requiring subjective and professional judgements, are more likely to be effective if they are also based on objective and reliable management information about the costs and other key metrics pertaining to the activity in question. For investigation activity, the Board would expect to see the routine collection and analysis, at the level of individual investigations, of data regarding time and cost linked to outcomes and other measures of quality, and would expect those data to be used to support and assess resource deployment decisions.

307. The Board found that the OIOS Investigations Division did not regularly and routinely collect information regarding the cost and length of its investigations, nor did it link this to the eventual outcome. It was therefore not in a position to objectively monitor, assess or demonstrate whether its deployment of resources and delivery of investigations were cost-effective, or to make evidence-based decisions about the redeployment of its resources.

308. While the Board recognizes that costs are incurred in collecting such information and that those costs need to be proportionate to the benefits that such information and analysis provide, it is important that OIOS have evidence upon which to base its decisions and proposals. The absence of adequate management information also limited the Board's ability to directly answer the question posed by the Advisory Committee on Administrative and Budgetary Questions.

309. **OIOS agreed with the Board's recommendation that the Investigations Division collect data on the cost, length and outcomes of its investigations and use that information to support improved and evidence-based decision-making, for example, monitoring costs against outputs so that investigators based in different locations can identify cost variations and promote efficient practice.**

310. OIOS commented that efforts were already under way to collect improved management information with regard to investigations, including by compiling a

history of cases since 1 January 2009 and implementing time recording with effect from 1 January 2011 concerning investigations.

311. On a related note, the General Assembly has asked the Secretary-General to submit for the Assembly's consideration, in the context of the 2012/13 support account budget, a comprehensive report on the pilot project, with a view to deciding on a restructuring of the Investigations Division (General Assembly resolution 63/287, para. 40). OIOS will also need improved management information if it is to conduct an effective evaluation of the pilot structure.

312. Beyond the need for appropriate management information, it is good practice to establish evaluative criteria at the outset of any pilot to permit the establishment of appropriate data capture and reporting mechanisms and an objective evaluation of the results of any business change, rather than to rely on an ex post facto justification. In the case of the redeployment of investigative capacity, this has not been done, and, unless this issue is quickly addressed, there is a risk that a meaningful evaluation of the pilot will not be possible.

313. **The Board recommends that OIOS urgently establish the baseline and criteria for the pilot evaluation and mechanisms to gather the necessary data to report against the agreed evaluative criteria.**

314. OIOS informed the Board that action was being taken to directly address the Board's recommendation. The Board will follow up on the implementation of the recommendation as part of its work in 2012 to meet the request of the Advisory Committee on Administrative and Budgetary Questions that it examine the implementation of the pilot project and report to the General Assembly at the second part of its resumed sixty-sixth session.

OIOS Investigations Division's case for moving from a resident to a hub structure

315. Given the decline in the volume of investigations over a number of years, there are, in the Board's view, good grounds in principle for the redeployment of investigative resources from missions to hubs. Without management information regarding the cost, length and outcomes of investigations, however, it is not possible to determine what the most appropriate or optimal deployment of resources in a hub-based structure would be. Furthermore, moving investigators out of missions may pose risks to quality and responsiveness that would need to be mitigated, but this aspect has not been analysed because of a lack of management information.

316. Before the pilot of the hub structure had been implemented, OIOS had 52 approved investigator posts, 32 of which were resident in missions, with the remaining 20 based in New York, Vienna and Nairobi. In the budgets for the support account for peacekeeping operations for 2008/09 (A/62/783 and Corr.1) and 2009/10 (A/63/767 and Corr.1), OIOS reasoned that the distribution of resources was not optimal for the functioning of the Investigations Division, for the following reasons:

(a) The overall caseload had fallen significantly since 2005. OIOS stated that resident investigators were no longer needed, because the overall caseload was much lower than in 2005, when the number of investigator posts in missions had initially been increased;

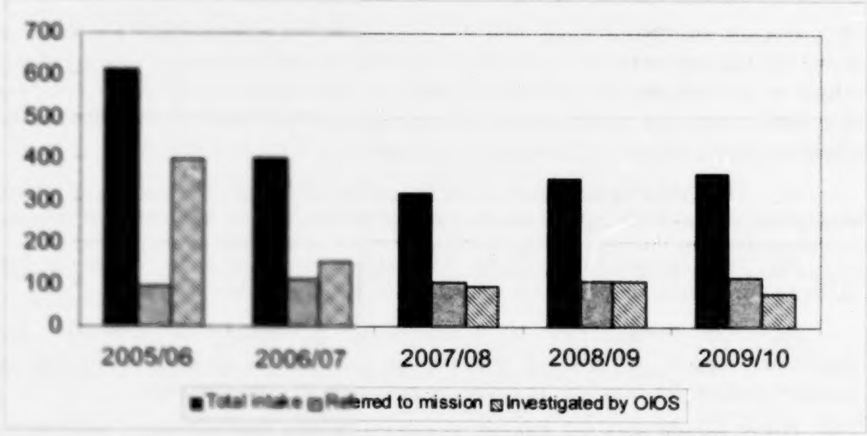
(b) It was not possible to realize economies of scale in management and administration by having fewer investigators to meet the reduced caseload without moving to a hub structure;

(c) Quality could be improved by creating divisions of specialist investigators, assigning cases on the basis of investigator skill and experience rather than geographical location, and implementing more consistent control over quality and standards.

317. The number of matters reported to OIOS and identified for investigation in peacekeeping missions had fallen from 613 in 2005/06 to an average of 359 per year over the following four years (see figure II.3).

Figure II.3

Total cases reported to OIOS funded by the support account for peacekeeping operations



Source: Board analysis of OIOS data.

Note: Not all cases reported to OIOS are investigated, as a decision may be made, for example, that there is insufficient evidence to merit an investigation.

318. The decrease in caseload supported the OIOS position that fewer investigators were needed by the Investigations Division. Therefore, the options for reducing staff numbers were:

(a) To maintain the resident structure but with fewer staff in each mission;

(b) To remove all investigators from the missions and adopt a hub structure;

(c) To adopt a hybrid structure, with some missions serviced by hubs and others by resident investigators where the volume of investigations makes this cost-effective.

319. For 2009/10, OIOS proposed a hybrid structure whereby staff would be retained in the three largest missions (UNMIL, UNMIS and MONUSCO) as a "short-term transitional measure" before moving to a fully hub-based structure (see A/63/767 and Corr.1). In the Board's view, the hybrid model might be more usefully viewed as an option to be deployed when the volume of investigations in a given

mission makes it the most cost-effective solution, but this would be dependent on the Investigations Division's ability to adopt a responsive staffing strategy, in particular its ability to recruit staff in a flexible and timely fashion.

320. The deployment of resources approved for the pilot of the hub structure involves 41 approved investigator posts, 12 of which are resident in missions, with the remaining 29 based in New York, Vienna and Nairobi.

321. In addition to the resident investigator posts requested by OIOS, the General Assembly approved single posts in four other missions (MINUSTAH, UNIFIL, UNMIT and UNOCI). The rationale for the approval of posts different from those requested was not clear. Both OIOS and its stakeholders argue that deploying a single resident investigator in a mission is not a workable model, regardless of the size of the caseload. OIOS asserted that a team of investigators, in order to function as an effective resident unit, must have a minimum of three to four members. The Board considered that OIOS had convincing operational arguments for these assertions based on professional experience and judgements.

322. Overall, the Board found that the concept of the hub structure had merit in terms of cost-effectiveness, given the reduction in the volume of investigations, which in turn reduced the viability of retaining investigator teams in missions, but that there were risks to the quality of investigations that must be mitigated if the structure was to operate effectively. For example:

(a) Hub investigators may have a less-developed understanding of whom they need to speak to in a given mission and of the motivations of their interviewees;

(b) Hub investigators will be more reliant on mission staff who are less skilled in investigative techniques to collect the initial evidence for them;

(c) Hub investigators no longer have designated administrative and translation support in missions, and may be more reliant on the "borrowing" of mission staff, which may lead to delays or pose risks to confidentiality.

323. **OIOS agreed with the Board's recommendation that enhanced training be provided for relevant mission staff both where they are required to conduct the initial collection of evidence for an investigation and where they are required to conduct an entire investigation, in order to mitigate the risks to quality associated with a reduced mission presence, in particular because mission-based staff may not have the skills and experience to conduct in accordance with an appropriate standard the investigations referred to them.**

324. OIOS commented that it attached high importance to providing appropriate training for its staff and would continue to ensure the provision of efficient and appropriate training in line with the responsibilities and requirements of relevant mission staff.

Impact on costs

325. OIOS was of the view that costs would decline under the hub structure because fewer investigators would be needed and economies of scale would be realized in management and administration. While costs fell by $1.4 million between 2008/09 and 2009/10, after the pilot was introduced, the historical levels of vacancies make it difficult to assert that this was a direct consequence of the restructuring (see table II.17).

Table II.17

OIOS investigation costs covered by the support account for peacekeeping operations

(Thousands of United States dollars)

	Total 2005/06	*Total 2006/07*	*Total 2007/08*	*Total 2008/09*	*Total 2009/10*
Mission staff costs	1 818	3 321	3 570	2 489	1 194
Hub staff costs	1 961	2 786	2 925	3 443	3 132
Support costs	701	612	853	1 162	1 323
Total	**4 480**	**6 719**	**7 348**	**7 094**	**5 648**

Source: Board analysis of OIOS data.

Note: Support cost figures are based on support account budget lines for consultants, travel of staff, information technology facilities and supplies, and training. OIOS explains the increase in support costs by citing additional payments for temporary accommodation in Nairobi and the establishment of a case management system across the regional hubs.

Impact on quality

326. OIOS noted, and the Board concurs, that financial implications should not be the sole determinant of restructuring. OIOS argued that the hub structure would enable it to increase the quality of investigations in the following ways:

(a) Specialist investigators could be used to address two distinct case types: sexual exploitation and abuse cases, and financial, economic and administrative misconduct cases (hereafter referred to as "sexual cases" and "financial cases", respectively);

(b) Cases could be assigned according to the skill and experience of investigators, rather than solely in terms of geographical position;

(c) The quality of management could be enhanced by permitting more consistent control over quality and standards across the Division.

327. The Board found that specialization had not been implemented and that there was now no clear view within OIOS or among other stakeholders that specialization would necessarily lead to improved cost-effectiveness except in very complex cases, because of the need to deploy a limited amount of resources to respond to a variable caseload. The allocation of investigators by OIOS is currently driven by capacity and availability, although investigator expertise is taken into account where possible when the Office assigns cases.

328. In practice, it is difficult for auditors to judge whether investigations would benefit more from generic or from specialized investigation skills, and in all probability this would need to be determined on a case-by-case basis by professional investigators. The key point is that, regardless of the approach taken, the unavailability of relevant and reliable management information means it is not possible to assess cost-effectiveness.

329. In the meantime, OIOS has taken steps to improve quality, including by establishing a Professional Practices Services section to implement a quality assurance programme. The new justice system for appealing the outcomes of investigations also calls for investigations of higher quality than previously required.

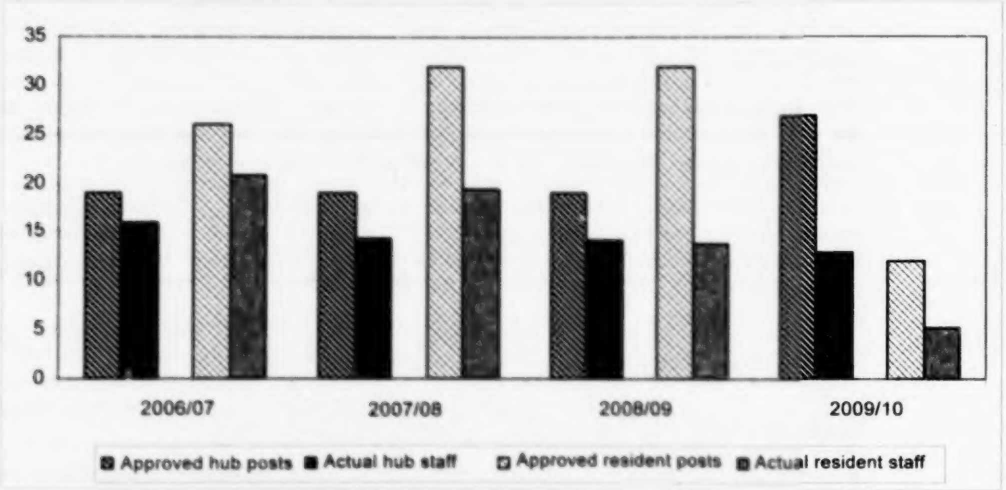
The impact of these developments on trends in the quality of investigations is not yet apparent but would make it difficult, if not impossible, to determine the impact of resource redeployment on quality.

Extent of redeployment in practice

330. The pilot of the restructured Investigations Division was officially launched on 1 July 2009. However, there has been little change in the number of actual staff in hubs, owing to an average vacancy rate of 53 per cent in investigator positions in 2009/10, with no improvement since the pilot began (see figure II.4). The restructuring has therefore had little impact on actual staff placement thus far, making it difficult to draw conclusions on its impact on cost-effectiveness.

Figure II.4

Number of approved posts versus number of filled posts for hub and resident investigative staff: trend from 2006/07 to 2009/10



Detailed breakdown for 2008/09 and 2009/10

Professional-category posts	*2008/09*	*2009/10*
Hub posts		
Approved posts	19.0	27.0
Average vacant posts	4.9	14.1
Average filled posts	14.2	13.0
Average vacancy rate	25.5 per cent	52.0 per cent
Resident posts		
Approved posts	32.0	12.0
Average vacant posts	18.2	6.8
Average filled posts	13.8	5.3
Average vacancy rate	57.0 per cent	56.3 per cent

Professional-category posts	*2008/09*	*2009/10*
Total posts		
Approved posts	51.0	39.0
Average vacant posts	23.1	20.8
Average filled posts	27.9	18.2
Average vacancy rate	45.3 per cent	53.3 per cent

Source: Board analysis of OIOS data.

331. In terms of staff occupying posts:

(a) There has been no increase in the number of staff occupying posts in the hubs as a result of the restructuring. The total number of staff in hubs fell from 14 in 2008/09 to 13 in 2009/10;

(b) The total number of resident staff in missions fell from 14 in 2008/09 to 5 in 2009/10. It should be noted that 12 resident posts were approved for 2009/10. Therefore, the decrease in the actual number of resident staff is not necessarily a consequence of the restructuring;

(c) There are currently high vacancy rates at the three missions (UNMIL, UNMIS and MONUSCO) where OIOS had requested and was granted posts, significantly limiting the effectiveness of those missions as resident investigator outposts;

(d) Four other missions (MINUSTAH, UNIFIL, UNMIT and ONOCI) each had a single investigator post approved for 2009/10. All of those posts have remained vacant.

332. **Given the importance of an effective investigation function in managing risks to the United Nations, there may be a good case for reconsidering how the vacancy situation might be addressed. The Board therefore recommends that OIOS work with the Office of Human Resources Management to address the problems related to vacancies in investigator positions. This may include not only revisiting vacancy notices to assess the appropriateness of required qualifications and experience, but also adopting more innovative approaches such as building a roster of pre-approved investigators who can be deployed on short-term contracts to address fluctuations in workload, as well as employing a policy of rotating staff among various locations to help attract and retain staff.**

333. OIOS commented that some elements of this recommendation were already being considered, such as the use of a roster, and that it would consult with the Office of Human Resources Management to identify ways to more effectively address the vacancy rate.

Alignment of investigative resources to caseload

334. If posts are not appropriately distributed among the regional hubs, there will be a risk that a hub may have under- or overutilized staff. Conversely, if hubs do not have enough staff, there will be a risk that a backlog of investigations will build up, higher-risk investigations will be referred to missions than is appropriate, and the quality of investigations will suffer, or individual cases will become more difficult

to investigate as a result of delays. Ultimately, there will be an increased risk that misdemeanours will go unpunished and the reputation of the United Nations will be damaged.

335. OIOS reasoned, in support of its proposal that a hybrid structure be established in 2009/10 (see A/63/767 and Corr.1), that its requested distribution of staff reflected the distribution of financial and sexual cases and the relative complexity of such cases. The underlying argument of the Office was that the cases that tend to arise in the areas covered by the New York and Vienna hubs are more complex and therefore more resource-intensive than those arising in the parts of the United Nations system covered by Nairobi. Table II.18 shows that the ratio of investigation intake (investigation cases received in a given year) and investigation caseload (all outstanding investigations) to investigator posts differs from hub to hub. For example, an analysis of the caseloads of investigators occupying posts shows that New York has 3.71 cases per investigator and Vienna has 3.16, while Nairobi has 11.4.

336. Differences in the complexity of cases from hub to hub may justify the variation in the ratio of caseload to investigator, but they might also indicate differences in productivity and efficiency. Because OIOS does not maintain data on the cost, length and outcomes of its investigations, it is not possible to determine whether this variability is evidence of a sub-optimal deployment of investigative resources. Ultimately, the appropriate placement of investigative resources is dependent on the location, volume, nature and complexity of investigations. Given the demand-driven nature of investigation work, these factors are constantly changing, and therefore the optimal deployment of investigative resources also changes. In the Board's view, OIOS will require a responsive resource deployment strategy to address fluctuations in investigative workload. However, as already stated, this will depend on its ability to recruit and deploy staff in a flexible and timely fashion, which is currently constrained.

Table II.18

Ratio of Professional-category investigative staff to investigation intake within hubs

	New York	*Vienna*	*Nairobi*
Investigator posts			
Requested for 2009/10	11	5	24
Approved for 2009/10	6	12	20
Average filled	3.5	4.8	9
Investigations			
Investigation intake in 2009/10	5	5	23
Investigation caseload at June 2010	13	15	102
Ratio against intake			
Ratio of intake to requested investigators	0.45	1	0.96
Ratio of intake to approved investigators	0.83	0.42	1.15
Ratio of intake to actual investigators	1.43	1.05	2.57

	New York	*Vienna*	*Nairobi*
Ratio against caseload			
Ratio of caseload to requested investigators	1.18	3	4.25
Ratio of caseload to approved investigators	2.17	1.25	5.1
Ratio of caseload to actual investigators	3.71	3.16	11.4

Source: Board analysis of OIOS data.

337. **OIOS agreed with the Board's recommendation that the appropriate level of resources required for its investigation work and their most cost-effective deployment be determined, taking into consideration cost, quality, length, outcome, risk and the geographical distribution of workload. Any proposed change in resource deployment should be based on a full cost/benefit analysis based on relevant and reliable management information, and should also involve full consultation and communication with all stakeholders, including field mission management.**

D. Disclosures by management

1. Write-off of cash, receivables and property

338. In accordance with financial rule 106.9, the Administration informed the Board that property losses of $15.64 million ($12.53 million in 2008/09) had been written off during 2009/10. These were caused mainly by accidents, malfunctions and losses. In accordance with financial rule 106.8, the Administration also stated that losses amounting to $74,848 ($219,755 in 2008/09) had also been written off in respect of cash and accounts receivable, because they were considered irrecoverable, cash losses and overpayments.

2. Ex gratia payments

339. As required under financial regulation 5.11, the Administration reported to the Board six ex gratia payments, amounting to $5 million, with regard to peacekeeping operations for the period under review, as follows: (a) $4.88 million by MINUSTAH to national staff, individual contractors and their families affected by the earthquake in Haiti; (b) $76,000 to national staff whose immediate family members had perished in the earthquake and to individual contractors who either died or lost members of their immediate families; (c) $3,418 to a civilian whose daughter had been injured during an exchange of gunfire between MINUSTAH personnel and others; (d) $31,113 by UNMIS to a Deputy Force Commander who had been killed by unidentified perpetrators while he was on leave in his home country; (e) $7,850 by UNMIK to four civilians who had been injured during a public demonstration in February 2007 in Pristina, Kosovo; and (f) $2,486 to former military personnel who had been medically repatriated, for the supply of a dietary supplement.

3. Cases of fraud and presumptive fraud

340. In accordance with paragraph 6 (c) (i) of the annex to the Financial Regulations and Rules of the United Nations, the Administration reported to the

Board 18 cases of fraud and presumptive fraud that had occurred at nine missions during the period under review, as follows:

(a) At MINURCAT, the one reported case involved the non-payment of a casual day worker's salary by the former Regional Administrative Officer, who had received the intended funds from the Finance Section. The amount involved was $1,163. As a remedy for the weaknesses revealed in the system, the Mission has put in place participation by a third party during cash transfers to casual day workers — ideally a finance person and a representative of the unit employing the workers;

(b) At MINUSTAH, in the one case reported, an international staff member misused United Nations gasoline without prior authorization. The case was referred to the Chief of the Supply Section, who was instructed to submit a detailed standard operating procedure for the storage and disposal of fuel;

(c) At MONUSCO, of the six cases reported, two were related to abnormal consumption of fuel and fuel fraud amounting to $86,621; two involved fraudulent submission of, and forgery of signature on, time sheets and supply requests; and the remaining two were related to fraudulent claims by the United Nations Military Observer for the cost of accommodation, food and the services of security guards;

(d) At UNOCI, a staff member forged the signatures of senior managers and presented direct expenditure request documents to the Finance Section for a cash advance of $18,500;

(e) At UNAMID, an amount of $10,485 was embezzled by one staff member under the guise of a payment to an individual contractor by means of a copied payment voucher;

(f) At UNMIK, two cases were reported: one United Nations Volunteer fraudulently represented personal status to increase benefits, while another made a fraudulent claim to the medical insurer Vanbreda. The amounts involved were $14,750 and $9,681, respectively;

(g) At UNMIL, two cases were reported: fraudulent submissions by three national staff members to obtain salary advances and duplicate payments, both amounting to $1,836;

(h) At UNMIS, four cases were reported, relating to theft by siphoning fuel from a United Nations vehicle, misappropriation of United Nations assets and forging of official documents, embezzlement and falsification of documents, and financial irregularities and potential fraud on the part of a staff member who had overpaid his monthly payment orders; the latter case was still with the Special Investigation Unit. The amounts involved totalled $7,797.

341. The above-reported cases do not reflect the entire universe of fraud and presumptive fraud cases, as some cases may be under review by other offices or units and may not yet have been reported to the Board.

E. Acknowledgement

342. The Board wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations, the Under-

Secretary-General for Field Support, the Under-Secretary-General for Internal Oversight Services, the United Nations Controller and members of their staffs, as well as the staff at the missions.

(*Signed*) **Liu** Jiayi
Auditor-General of China
(Chair, United Nations Board of Auditors)
(Lead Auditor)

(*Signed*) Terence **Nombembe**
Auditor-General of South Africa

(*Signed*) Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Ireland

17 January 2011

Annex I

Missions audited

Active peacekeeping operations

1. United Nations Peacekeeping Force in Cyprus (UNFICYP)
2. United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)
3. United Nations Interim Force in Lebanon (UNIFIL)
4. United Nations Mission for the Referendum in Western Sahara (MINURSO)
5. United Nations Observer Mission in Georgia (UNOMIG)
6. United Nations Interim Administration Mission in Kosovo (UNMIK)
7. United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)
8. United Nations Mission in Liberia (UNMIL)
9. United Nations Operation in Côte d'Ivoire (UNOCI)
10. United Nations Stabilization Mission in Haiti (MINUSTAH)
11. United Nations Mission in the Sudan (UNMIS)
12. United Nations Integrated Mission in Timor-Leste (UNMIT)
13. United Nations Mission in the Central African Republic and Chad (MINURCAT)
14. African Union-United Nations Hybrid Operation in Darfur (UNAMID)
15. Support for the African Union Mission in Somalia (support for AMISOM)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. Support account for peacekeeping operations
3. United Nations Logistics Base (UNLB) at Brindisi, Italy
4. Peacekeeping after-service health insurance

Completed peacekeeping operations

1. United Nations Operation in Burundi (ONUB)
2. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)
3. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET)
4. United Nations Iraq-Kuwait Observation Mission (UNIKOM)
5. United Nations Mission in Bosnia and Herzegovina (UNMIBH)

6. United Nations Mission of Observers in Tajikistan (UNMOT)
7. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)
8. United Nations Mission in the Central African Republic (MINURCA)
9. United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)
10. United Nations Preventive Deployment Force (UNPREDEP)
11. United Nations Transitional Administration for Eastern Slovenia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group
12. United Nations Observer Mission in Liberia (UNOMIL)
13. United Nations Peace Forces (UNPF)
14. Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)
15. United Nations Mission in Haiti (UNMIH)
16. United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)
17. United Nations Observer Mission in El Salvador (ONUSAL)
18. United Nations Operation in Mozambique (ONUMOZ)
19. United Nations Operation in Somalia (UNOSOM)
20. United Nations Military Liaison Team in Cambodia (UNMLT)
21. United Nations Transitional Authority in Cambodia (UNTAC)
22. United Nations Transition Assistance Group (UNTAG)
23. United Nations Iran-Iraq Military Observer Group (UNIIMOG)
24. Special Account for the United Nations Emergency Force (UNEF) 1956
25. Ad Hoc Account for the United Nations Operation in the Congo (ONUC)
26. United Nations Mission in Ethiopia and Eritrea (UNMEE)

Annex II

Status of implementation of recommendations for the financial period ended 30 June 2009[a]

	Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
1.	Contributions in kind	2007/08	para. 17 in 2008/09				1
2.	Criteria for the creation of obligations	2007/08		para. 33 in 2008/09			1
3.	End-of-service liabilities — maintenance of all attendance and leave records	2007/08		para. 36 in 2008/09			1
4.	Accounts receivable — MONUSCO	2008/09		para. 61			1
5.	Inter-office transactions pending processing	2008/09	para. 64				1
6.	Results-based budgeting — indicators of achievement and outputs — specific, measurable, attainable, realistic and time-bound	2003/04		para. 68 in 2008/09			1
7.	Results-based budgeting — portfolio of evidence — UNMIK and UNMIL	2007/08		para. 71 in 2008/09			1
8.	Results-based budgeting — review of the portfolio of evidence — MONUSCO and UNOCI	2008/09	para. 74				1
9.	Procurement and contract management — acquisition planning	2008/09	para. 83				1
10.	Procurement and contract management — acquisition planning — UNMIS	2008/09	para. 86				1
11.	Procurement and contract management — bidding time frame	2007/08		para. 89 in 2008/09			1
12.	Procurement and contract management — contract management	2008/09	para. 95				1
13.	Procurement and contract management — contract management — UNIFIL and UNOCI	2008/09	para. 97				1

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[a] *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 5* (A/64/5 (Vol. II)), chap. II.

Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
14. Procurement and contract management — premises occupied without valid contracts — MONUSCO	2008/09		para. 100			1
15. Procurement and contract management — rations contract	2008/09		para. 107			1
16. Procurement and contract management — ex post facto cases	2008/09		para. 112			1
17. Procurement and contract management — ex post facto cases — UNAMID	2008/09	para. 115				1
18. Procurement and contract management — delegation of procurement authority — UNAMID and UNFICYP	2008/09	para. 119				1
19. Procurement and contract management — vendor management	2007/08		para. 124 in 2008/09			1
20. Procurement and contract management — vendor performance evaluation	2008/09		para. 127			1
21. Procurement and contract management — technical evaluation — UNMIL	2008/09	para. 130				1
22. Procurement and contract management — liquidated damages and insurance coverage — MINURCAT and UNAMID	2007/08		para. 133 in 2008/09			1
23. Procurement and contract management — liquidated damages and insurance coverage — UNIFIL and UNAMID	2008/09	para. 136				1
24. Expendable property — recording and disclosure of expendable property	2007/08			para. 141 in 2008/09		1
25. Expendable property — physical counts and inventory records	2007/08		para. 146 in 2008/09			1
26. Expendable property — stock level management — MONUSCO and UNMIL	2008/09		para. 149			1

Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
27. Non-expendable property — physical verification and discrepancies — full and complete physical verifications	2007/08		para. 154 in 2008/09			1
28. Non-expendable property — physical verification and discrepancies — accurate and reliable asset records	2007/08		para. 162 in 2008/09			1
29. Non-expendable property — delays in write-off and disposal of non-expendable property	2005/06		para. 169 in 2008/09			1
30. Non-expendable property — stock ratios and surplus	2008/09		para. 180			1
31. Non-expendable property — fire prevention and safety	2008/09		para. 183			1
32. Downsizing and liquidation — downsizing at UNMIK	2008/09		para. 187			1
33. Downsizing and liquidation — database access — UNOMIG	2008/09	para. 190				1
34. Strategic deployment stocks — slow-moving strategic deployment stocks	2008/09		para. 195			1
35. Strategic deployment stocks — issuance of strategic deployment stocks	2008/09		para. 198			1
36. Strategic deployment stocks — life expectancy	2008/09		para. 201			1
37. Contingent-owned equipment — fuel consumption monitoring	2008/09		para. 204			1
38. Contingent-owned equipment — submission of verification reports — MONUSCO	2008/09	para. 207				1
39. Contingent-owned equipment — discrepancies between verification reports and verification worksheets — MONUSCO	2008/09	para. 210				1
40. Contingent-owned equipment — major equipment	2008/09	para. 213				1
41. Contingent-owned equipment — verification of water treatment plants — MONUSCO	2008/09	para. 217				1

Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
42. Contingent-owned equipment — operational readiness inspection	2007/08	para. 220 in 2008/09				1
43. Vehicle fleet management — vehicle occupancy survey	2008/09	para. 224				1
44. Vehicle fleet management — replacement of vehicles	2008/09	para. 228				1
45. Vehicle fleet management — CarLog system — UNDOF	2008/09	para. 231				1
46. Vehicle fleet management — CarLog system — UNMIL	2008/09	para. 232				1
47. Vehicle fleet management — material for workshops — MINURCAT and MONUSCO	2008/09			para. 236		1
48. Vehicle fleet management — safety — MONUSCO and UNMIT	2008/09	para. 239				1
49. Fuel management — strategic fuel reserves	2007/08		para. 244 in 2008/09			1
50. Fuel management — fuel consumption	2007/08		para. 249 in 2008/09			1
51. Fuel management — emergency response plan — UNIFIL and UNMIT	2008/09	para. 252				1
2. Rations management — rations manual	2008/09		para. 255			1
3. Rations management — standard operating procedures on rations management — MONUSCO	2007/08	para. 258 in 2008/09				1
4. Rations management — monitoring and inspection of rations — UNFICYP	2008/09	para. 261				1
5. Rations management — rations reserve stocks — UNMIS	2008/09	para. 264				1
6. Rations management — storage management — UNMIS and UNMIT	2007/08	para. 268				1
7. Air operations — aviation budget	2008/09		para. 275			1
8. Air operations — aviation safety	2008/09	para. 278				1
9. Air operations — aviation safety — MONUSCO and UNMIL	2008/09	para. 282				1
0. Air operations — fuel cost recovery — UNMIL and UNMIS	2008/09		para. 286			1

Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
61. Air operations — emergency response — MINURCAT	2008/09	para. 289				1
62. Air operations — management and evaluation of air charter agreements — MONUSCO	2008/09		para. 292			1
63. Air operations — signing of air cargo manifests — UNAMID	2008/09	para. 295				1
64. Information and communications technology — information security — MONUSCO	2008/09	para. 299				1
65. Information and communications technology — control management	2008/09		para. 302			1
66. Information and communications technology — control management — MONUSCO	2008/09	para. 305				1
67. Information and communications technology — communication availability — UNLB	2008/09	para. 308				1
68. Information and communications technology — policies and procedures — UNMIK and UNMIL	2008/09		para. 311			1
69. Information and communications technology — capacity-building — UNMIK and UNMIS	2008/09		para. 315			1
70. Human resources management — vacancy and turnover rates	2005/06		para. 324 in 2008/09			1
71. Human resources management — recruitment lead times	2007/08		para. 327 in 2008/09			1
72. Human resources management — post classification	2008/09		para. 332			1
73. Human resources management — human resources action plan	2007/08				para. 334 in 2008/09	1
74. Human resources management — performance appraisal system	2007/08		para. 337 in 2008/09			1
75. Human resources management — leave management — recording and monitoring of time attendance	2008/09		para. 340			1
76. Human resources management — leave management — outstanding receivables relating to overpayment	2008/09		para. 341			1

Topic	*Period first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
77. Human resources management — leave management — MONUSCO	2008/09		para. 343			1
78. Human resources management — training plan — MINURCAT and UNDOF	2008/09	para. 347				1
79. Human resources management — induction training	2008/09		para. 350			1
80. Human resources management — monitoring training	2008/09	para. 353				1
81. Human resources management — post-training management	2008/09		para. 357			1
82. Integrated mission planning process — finalization of the integrated mission planning process guidelines	2006/07	para. 360 in 2008/09				1
83. Quick-impact projects — project implementation	2007/08		para. 363 in 2008/09			1
84. Quick-impact projects — project evaluation — UNIFIL and UNMIS	2008/09	para. 366				1
85. Resident auditors — implementation of audit plan	2006/07		para. 372 in 2008/09			1
86. Resident auditors — observe deadline for issuance of audit reports	2007/08		para. 377 in 2008/09			1

Breakdown

		Implemented	*Under implementation*	*Not implemented*	*Overtaken by events*	*Total*
As presented in 2007/08 report						
Prior years — reiterated in 2007/08		5	19	1	1	26
New recommendations in 2008/09		32	27	1	0	60
Total recommendations in 2007/08 report		**38**	**45**	**2**	**1**	**86**
Percentage to total recommendations		**44**	**53**	**2**	**1**	**100**

Annex III

Assets and liabilities of completed missions

(Thousands of United States dollars)

Mission	*End of mandate*	*Cash* *(1)*	*Outstanding assessments* *(2)*	*Liabilities* *(3)*	*Cash surplus/(deficit)* *(1)-(3)*
UNMEE	31 July 2008	20 024	2 638	12 267	7 757
ONUB	31 December 2006	43 074	884	42 659	415
UNAMSIL	31 December 2005	55 041	790	47 459	7 582
UNMISET	20 May 2005	7 713	28 875	834	6 879
UNIKOM	1 October 2003	4 267	526	1 666	2 601
UNMIBH	1 December 2002	16 359	34 049	—	16 359
UNMOT	1 May 2000	4 113	2	894	3 219
MIPONUH	1 March 2000	197	19 395	7 480	(7 283)
MINURCA	1 February 2000	27	35 546	23 849	(23 822)
MONUA/UNAVEM	1 February 1999	25 145	34 913	1	25 144
UNPREDEP	1 February 1999	14 009	1 240	2 588	11 421
UNTAES	1 January 1998	15 204	8 742	—	15 204
UNOMIL	1 September 1997	6 069	8	884	5 185
UNPF	1 June 1997	100 665	142 219	3 434	97 231
MINUGUA	1 May 1997		145	125	(125)
UNMIH	1 July 1996	53 792	24	13 904	39 888
UNAMIR/UNOMUR	1 March 1996	27 092	1 339	—	27 092
ONUSAL	1 April 1995	6 635	317	2 677	3 958
ONUMOZ	1 December 1994	928	16 713	31	897
UNOSOM	1 March 1995	109	57 846	15 560	(15 451)
UNMLT	1 November 1994	279	—	107	172
UNTAC	1 March 1994	58	40 484	40 097	(40 039)
UNTAG	1 June 1991	18 070	20	12 029	6 041
UNIIMOG	1 June 1991	5 201	16	—	5 201
UNEF	1 June 1967	—	42 627	43 185	(43 185)
ONUC	1 June 1964	—	73 892	46 836	(46 836)
Total		**424 071**	**543 250**	**318 566**	**105 505**

Note: Based on the audited financial statements.

Annex IV

Assessed contributions receivable by mission

(Thousands of United States dollars)

	Financial year ended 30 June 2010			*Financial year ended 30 June 2009*	
ctive missions	*Amount*	*Percentage to total*	*Percentage increase/(decrease) compared with financial year ended 30 June 2009*	*Amount*	*Percentage to total*
UNFICYP	13 185	0.91	(15.39)	15 584	1.03
UNEF/UNDOF	11 417	0.78	(21.47)	14 538	0.96
UNIFIL	27 986	1.92	(15.36)	33 065	2.19
MINURSO	48 916	3.36	1.52	48 182	3.19
UNOMIG	5 106	0.35	(36.1)	7 991	0.53
UNMIK	44 097	3.03	(17.19)	53 249	3.53
MONUC	177 510	12.2	7.4	165 276	10.94
UNMIL	32 516	2.23	(36)	50 804	3.36
UNOCI	46 939	3.23	35.51	34 639	2.29
MINUSTAH	157 727	10.84	57.08	100 411	6.65
UNMIS	102 748	7.06	19.74	85 812	5.68
UNMIT	12 059	0.83	7.12	11 257	0.75
MINURCAT	79 424	5.46	(41.63)	136 078	9.01
UNAMID	120 588	8.29	(4.38)	126 113	8.35
upport for AMISOM	18 341	1.26	(68.04)	57 391	3.8
UNMEE	—	—	—	13 549	0.9
Subtotal (active missions)	**898 559**	**61.74**	**(5.81)**	**953 939**	**63.17**
Subtotal (closed missions and special accounts)	**556 831**	**38.26**	**0.11**	**556 215**	**36.83**
Total	**1 455 390**	**100**	**(3.63)**	**1 510 154**	**100**

ote: Based on the audited financial statements.

Annex V

Annual leave and repatriation liabilities as at 30 June 2010

(Thousands of United States dollars)

Mission	*Annual leave*	*Repatriation benefits*	*Total end-of-service liabilities (excluding after-service health insurance)*
UNFICYP	1 411	995	2 406
UNDOF	818	913	1 731
UNIFIL	6 974	6 393	13 367
MINURSO	768	1 669	2 437
UNOMIG	9	—	9
UNMIK	1 749	2 743	4 492
MONUC	14 790	14 818	29 608
UNMEE	—	—	0
UNMIL	4 845	6 398	11 243
UNOCI	5 999	5 932	11 931
MINUSTAH	7 005	6 566	13 571
UNMIS	9 362	11 044	20 406
UNMIT	2 962	4 571	7 533
MINURCAT	5 370	5 038	10 408
UNAMID	11 509	13 415	24 924
Support for AMISOM	1 259	1 336	2 595
Active mission subtotal	**74 830**	**81 831**	**156 661**
UNLB	2 040	1 488	3 528
Support account for peacekeeping operations	15 632	14 034	29 666
Closed mission subtotal	**8**	**23**	**31**
Total	**92 510**	**97 376**	**189 886**

Note: Based on the audited financial statements.

Annex VI

Summary of segregation-of-duties analysis of issue vouchers in 2009/10 fiscal year

Mission	*All issue vouchers*		*Issue voucher against duty segregation*		*Approver = issuer*		*Issuer = receiver*		*Approver = receiver*		*Approver = issuer = receiver*	
	Number	*Value*[a]	*Number*	*Value*[a]	*Number*	*Value*[a]	*Number*	*Value*[a]	*Number*	*Value*[a]	*Number*	*Value*[a]
MINURCAT	8 612	65 653 236	5 520	57 746 911	5 509	57 679 128	41	588 415	40	559 286	35	539 958
MINURSO	1 208	4 603 756	999	3 557 455	968	3 425 018	74	260 505	105	392 941	74	260 505
MINUSTAH	7 740	28 025 374	7 575	26 257 960	7 575	26 257 960	10	99 169	10	99 169	10	99 169
MONUC	24 084	82 958 688	16 267	57 330 665	16 140	55 936 706	1 108	5 053 847	1 213	6 257 889	1 097	4 958 888
UNOCI	5 043	11 319 195	2 724	5 513 396	2 715	5 437 424	31	300 891	38	374 024	30	299 471
UNAMID	23 658	141 038 090	19 692	110 381 691	19 676	110 313 202	101	3 612 188	111	3 669 612	98	3 606 655
UNDOF	989	3 723 640	763	1 965 111	761	1 821 121	0	0	2	143 990	0	0
UNFICYP	595	1 751 751	595	1 751 751	595	1 751 751	2	28 866	2	28 866	2	28 866
UNIFIL	4 946	30 813 404	2 121	21 382 371	2 116	21 377 417	2	724	7	5 678	2	724
UNLB	2 227	21 295 027	2 215	21 234 462	2 215	21 234 462	409	7 608 731	409	7 608 731	409	7 608 731
UNMIK	1 118	3 018 127	1 096	2 690 175	1 096	2 690 175	2	41 613	2	41 613	2	41 613
UNMIL	4 129	18 101 429	526	4 798 481	517	4 674 069	8	148 079	15	231 661	7	127 664
UNMIS	12 642	43 766 753	9 427	29 088 933	9 372	28 824 884	149	585 708	192	841 084	143	581 371
UNMIT	2 535	7 926 927	2 140	5 711 028	2 122	5 675 154	40	346 459	22	310 585	22	310 585
UNSOA	3 509	23 101 472	3 394	22 283 982	3 393	22 283 760	23	175 752	24	175 974	23	175 752
Total	**103 035**	**487 096 869**	**75 054**	**371 694 372**	**74 770**	**369 382 231**	**2 000**	**18 850 946**	**2 192**	**20 741 102**	**1 954**	**18 639 954**

Note: Based on data retrieved from Business Object.

[a] United States dollars.

Annex VII

Vacancy rates of international and national posts in field missions as at 30 June 2010

			Vacancy rates (percentage)	
Category	*Authorized*	*Vacant*	*Stable missions*	*Start-up missions*[a]
International posts	7 595	1 754	23	43
National posts	16 398	2 123	13	43
Total	**23 993**	**3 877**	**16**	**43**

Note: Based on data provided by the Department of Field Support.

[a] UNSOA only.

nnex VIII

Vacancy rates of senior- and middle-level posts in field missions as at 30 June 2010

Post grade	*Total posts*	*Vacant posts*	*Vacancy rate (percentage)*
D-2	42	5	12
D-1	121	25	21
P-5	330	95	29
P-4	892	235	26
FS-PL	9	4	44
Total	**1 394**	**364**	**26**

Note: Based on data provided by the Department of Field Support.

Annex IX

Observations mission by mission

No.	*Focus area*	*Findings*	*Headquarters*[a]	*UNMIS*	*UNAMID*	*UNMIT*	*UNSOA*	*UNIFIL*	*UNLB*	*MINUSTAH*	*MONUSCO*	*UNMIK*	*UNMIL*	*MINURCAT*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNOCI*
1.	Unliquidated obligations	Establishment of large amount of unliquidated obligations at the last moment.			X											X		
2.	Unliquidated obligations	The criteria for creation of obligations were not strictly adhered to.		X	X		X											
3.	Unliquidated obligations	The extent of cancellation of unliquidated obligations remained high.			X													
4.	Accounts receivable	Long-outstanding accounts receivable.									X		X			X		
5.	Support account	Two previous studies on support account failed, and a new one was planned to begin.	X															
6.	Support account	Some posts lacked clear and special criteria for backstopping peacekeeping operations.	X															
7.	Results-based budgeting	Some indicators and outputs were not specific or measurable, owing mainly to inadequate training.	X	X	X		X	X	X			X	X				X	
8.	Results-based budgeting	Except for staffing resources, financial resources were still not linked to the results-based budgeting frameworks.	X[b]													X	X	X
9.	Results-based budgeting	Deficiencies relating to performance monitoring were noted.	X[b]						X						X		X	X
10.	Budgeting	There was a large disparity between budgeted flight hours and actual flight hours.				X												

No.	Focus area	Findings	Headquarters^a	UNMIS	UNAMID	UNMIT	UNSOA	UNIFIL	UNLB	MINUSTAH	MONUSCO	UNMIK	UNMIL	MINURCAT	MINURSO	UNDOF	UNFICYP	UNOCI
11.	**Budgeting**	1,295 vehicles donated by AMIS were not taken into account in the budgets for the financial years 2008/09 and 2009/10.			X													
12.	**Budgeting**	Low disbursements were made for quick-impact projects.			X					X	X		X	X				
13.	Exit strategy	The completion of the mission was not disclosed in the note to the financial report.												X				
14.	Exit strategy	No formal and documentation risk assessment and mitigation plan for the many actions to effect mission drawdown and liquidation.												X				
15.	Exit strategy	Mission budget was separated into different phases.												X				
16.	Exit strategy	There was no comprehensive guidance on how to formulate a drawdown plan.												X				
17.	Non-expendable property	The financial statements did not disclose the information on pending write-offs of assets or pending disposal of assets.	X															
18.	Non-expendable property	Full and complete physical verification was not carried out, and the discrepancies detected were not reconciled in a timely manner.		X	X		X					X	X					
19.	Non-expendable property	The segregation of duties among the approver, issuer and receiver were not strictly complied with.	X															
20.	Non-expendable property	Some write-offs and disposals had been delayed for a considerable period.		X		X			X	X		X	X					
21.	Non-expendable property	Receiving and inspection were not adequately carried out.			X													

No.	*Focus area*	*Findings*	*Headquarters*[a]	*UNMIS*	*UNAMID*	*UNMIT*	*UNSOA*	*UNIFIL*	*UNLB*	*MINUSTAH*	*MONUSCO*	*UNMIK*	*UNMIL*	*MINURCAT*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNOCI*
22.	Non-expendable property	There were high stock levels and units in stock for long periods at some missions.			X				X				X	X				
23.	Expendable property	The value of expendable property was not disclosed in the financial statements and/or in the notes thereto.	X															
24.	Expendable property	A physical account was not fully conducted, and some deficiencies relating to the management of expendable properties were found.		X			X			X	X	X			X			
25.	Expendable property	The minimum, maximum and reorder levels of expendable property were not implemented.						X		X	X		X					
26.	Strategic deployment stocks	Inefficient rotation of strategic deployment stocks.							X									
27.	Contingent-owned equipment	The physical verification and inspection of contingent-owned equipment were not performed adequately.								X								
28.	Contingent-owned equipment	Verification reports were prepared before physical inspections.		X														
29.	Contingent-owned equipment	The quantities shown in verification reports were less than those shown in the memorandums of understanding with troop-contributing countries.											X					
30.	Procurement and contract management	Bidding submission times were shorter than the minimum time frame provided in the Procurement Manual.		X	X	X	X				X	X						
31.	Procurement and contract management	The criteria for accepting or rejecting "late bids" were unclear and inconsistent.			X													

No.	*Focus area*	*Findings*	*Headquarters*[a]	*UNMIS*	*UNAMID*	*UNMIT*	*UNSOA*	*UNIFIL*	*UNLB*	*MINUSTAH*	*MONUSCO*	*UNMIK*	*UNMIL*	*MINURCAT*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNOCI*
32.	Procurement and contract management	There was no vendor performance evaluation process and no performance reports on regular vendors, or vendors with negative evaluations had been awarded contracts without documented justification.				X		X										
33.	Procurement and contract management	There was no formal mechanism to follow up on the implementation of Headquarters Committee on Contracts recommendations. At UNOCI, the local committee on contracts was not effective in addressing a number of key risks.	X															X
34.	Procurement and contract management	Delays in delivery had occurred, but liquidated damages were not claimed. The sections concerned had differing opinions on who should be responsible for initiating liquidated damage claims.			X								X					
35.	Procurement and contract management	Goods and services were purchased without legal contracts.				X					X							
36.	Procurement and contract management	The number of ex post facto cases reviewed by the Headquarters Committee on Contracts increased. The measures for monitoring ex post facto cases were not sufficient.	X								X							X
37.	Procurement and contract management	Procurement case with high risk.			X													
38.	Human resources management	High vacancy rate and vacant posts without recruitment action for long periods.		X	X		X	X	X	X	X		X					

No.	*Focus area*	*Findings*	*Headquarters*[a]	*UNMIS*	*UNAMID*	*UNMIT*	*UNSOA*	*UNIFIL*	*UNLB*	*MINUSTAH*	*MONUSCO*	*UNMIK*	*UNMIL*	*MINURCAT*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNOCI*
39.	Human resources management	Lengthy recruitment lead times.		X	X		X	X			X	X	X					
40.	Human resources management	Lengthy lead times for post classification.	X															
41.	Human resources management	Not all staff members completed their performance appraisals, and some of those who had not were awarded step increments and contract extensions.		X	X	X	X		X			X						
42.	Air operations	At some missions, air resources were underutilized.			X	X									X			X
43.	Air operations	The flight costs shared by other United Nations organizations were not recovered.												X				
44.	Air operations	There were some mistakes in aviation data.	X															
45.	Air operations	There was a high incidence of special flights.									X							
46.	Vehicle fleet management	The management of donated or handed-over vehicles was inadequate.			X													
47.	Vehicle fleet management	The number of vehicles held by UNMIT exceeded the standard. The recommendations of the Surface Transport Section on missions' proposed budgets had not been sufficiently considered.	X			X												
48.	Vehicle fleet management	Serviceable vehicles were cannibalized, and no cost/benefit analysis was performed for the replacement of vehicles.								X	X							
49.	Vehicle fleet management	There were no mechanisms to identify or monitor liberty usage in missions.		X								X	X					X

No.	*Focus area*	*Findings*	*Headquarters*[a]	*UNMIS*	*UNAMID*	*UNMIT*	*UNSOA*	*UNIFIL*	*UNLB*	*MINUSTAH*	*MONUSCO*	*UNMIK*	*UNMIL*	*MINURCAT*	*MINURSO*	*UNDOF*	*UNFICYP*	*UNOCI*
50.	Fuel management	UNMIL did not take effective measures with staff or air operators to recover fuel costs.											X					
51.	Rations management	Discounts on rations were not claimed.			X													
52.	Rations management	Rations reserve stock was inadequate.				X					X							
53.	Information and communications technology	There was no formal process of reviewing administrative activity to verify access and action.													X	X		
54.	Information and communications technology	There was no adequate security protection of the information technology environment.					X			X								
55.	Information and communications technology	There was no disaster recovery and business continuity plan.					X										X	
56.	Internal audit function	The internal audit workplans were not executed and finalized in a timely manner.	X										X					
57.	Internal audit function	Lengthy lead times in the issuance of internal audit reports were observed in several missions.	X	X	X			X		X		X	X					

[a] "X" shown under "Headquarters" reflects the observations made in the audit of Headquarters.

[b] The Board's examination of results-based budgeting did not apply to the support account.

Annex X

Summarized observations mission by mission

Focus area	*UNAMID*	*UNMIL*	*UNMIS*	*MONUSCO*	*UNSOA*	*UNMIT*	*MINUSTAH*	*UNMIK*	*UNLB*	*MINURCAT*	*UNIFIL*	*UNOCI*	*MINURSO*	*UNDOF*	*UNFICYP*	*Headquarters*
Total expenditure, 2009/10[a]	1 618 311	566 566	974 680	1 408 032	171 252	200 191	740 696	48 716	57 931	571 220	568 087	495 227	57 133	47 020	57 009	
Expendable property[a]	69 970	30 535	86 316	42 798	9 581	10 727	33 789	6 723	5 496	28 183	24 599	23 504	4 208	3 102	1 749	
Non-expendable property[a]	419 815	157 308	305 902	269 925	42 113	51 098	150 082	44 563	49 039	147 997	141 656	104 909	35 730	35 350	16 233	
Number of references in the present report to:																
Financial management and budgeting (including unliquidated obligations)	6	3	2	2	2	1	1	1	2	1	1	2	1	3	3	5
Non-expendable and expendable property	3	4	3	2	2	1	3	3	2	1	1		1			3
Procurement and contract management	4	1	1	3	1	3		1			1	2				2
Air operations, vehicle fleet management, fuel and rations management	3	2	1	3		3	1	1		1		2	1			2
Human resources management	3	2	3	2	3	1	1	2	2		2					1
Internal audit function	1	2	1				1	1			1					2
Other (including exit strategy, contingent-owned equipment and information and communications technology)		1	1		2		2		1	4			1	1	1	
Total number of references	**20**	**15**	**12**	**12**	**10**	**9**	**9**	**9**	**7**	**7**	**6**	**6**	**4**	**4**	**4**	**15**

Note: The table refers to the number of times a key observation on a topic has been raised in the present report with regard to particular missions. Further detail is provided in annex X.

[a] Thousands of United States dollars.

Chapter III

Certification of the financial statements

1. The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2009 to 30 June 2010 have been prepared in accordance with financial rule 106.10.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to XLVIII, are correct.

(*Signed*) Jun **Yamazaki**
Assistant Secretary-General, Controller

28 September 2010

Chapter IV

Financial report on the United Nations peacekeeping operations for the period from 1 July 2009 to 30 June 2010

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 2009 to 30 June 2010. The present report highlights the financial results for the period ended 30 June 2010.

B. Financial overview

2. Table I.1 provides a financial overview of peacekeeping operations.

Table I.1

Financial highlights

(Millions of United States dollars)

	2009	*2010*	*Increase (decrease) (percentage)*
Total assessments	**7 060.5**	**7 963.2**	**12.8**
Unpaid assessments[a]			
Active missions	954.0	912.2	(4.4)
Closed missions	556.1	543.2	(2.3)
Total expenditures	**7 120.6**	**7 616.1**	**7.0**
Liquidity: available cash less liabilities[a]			
Active missions	(677.5)	(330.7)	51.2
Closed missions	54.2	61.8	14.0

[a] 2009 is restated to reclassify UNMEE as a closed mission.

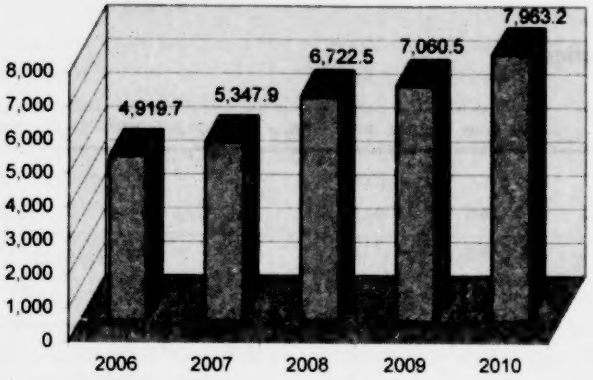
3. During fiscal year 2009/10, assessments rose by 12.8 per cent and expenditures rose by 7.0 per cent. The balance of unpaid assessments declined, contributing to the improvement in overall liquidity in active missions.

C. Assessments

4. Total assessments rose by 12.8 per cent, from $7,060.5 million in the previous fiscal year to $7,963.2 million in the current fiscal year. The increase was attributable largely to UNAMID, MINURCAT, MONUC, MINUSTAH and support for AMISOM. These increases were offset in part by decreases in UNMIK, UNIFIL, UNMIL and UNOMIG.

5. Figure I.1 illustrates the trend in the assessments for peacekeeping operations for the fiscal year 2009/10 and the four preceding fiscal years.

Figure I.1
Assessments for United Nations peacekeeping operations
(Millions of United States dollars)

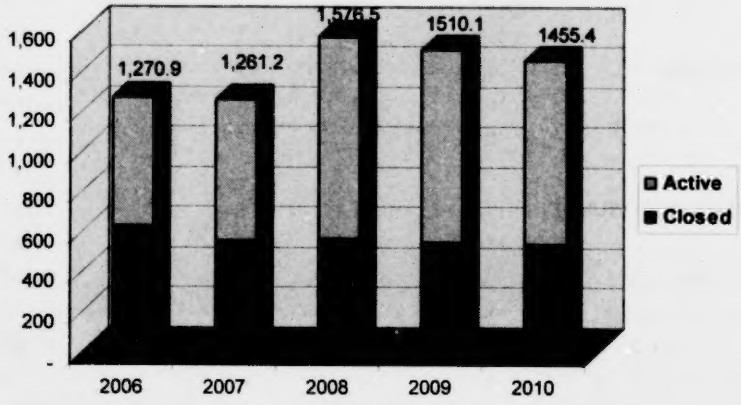


D. Status of unpaid assessments

6. In spite of the increases in assessments, unpaid assessments pertaining to active peacekeeping missions decreased by 4.4 per cent, from $954.0 million at the end of 2008/09 to $912.2 million at the end of 2009/10. Unpaid assessments pertaining to closed missions also decreased, by 2.3 per cent, from $556.1 million to $543.2 million, for the same period. Therefore, the overall level of unpaid assessments decreased from $1,510.1 million to $1,455.4 million.

7. Figure I.2 illustrates the trend in unpaid assessments for peacekeeping operations for 2009/10 and the four preceding fiscal years.

Figure I.2
Unpaid assessments for the United Nations peacekeeping operations
(Millions of United States dollars)



8. Table I.2 shows the status of unpaid assessed contributions for each of the United Nations peacekeeping operations as at the end of the current period and the four preceding financial periods.

Table I.2
Unpaid assessed contributions
(Millions of United States dollars)

Mission	*30 June 2006*	*30 June 2007*	*30 June 2008*	*30 June 2009*	*30 June 2010*
Active missions[a]					
UNFICYP	16.1	13.2	19.1	15.6	13.2
UNDOF	16.6	11.0	13.2	14.5	11.4
UNIFIL	60.5	145.9	137.0	33.1	28.0
MINURSO	48.8	43.9	48.5	48.2	48.9
UNOMIG	12.2	6.8	10.3	8.0	5.1
UNMIK	51.0	42.2	46.0	53.2	44.1
MONUC	124.0	170.3	137.8	165.3	177.5
UNMIL	57.0	63.5	28.0	50.8	32.5
UNOCI	41.4	24.9	41.1	34.6	46.9
MINUSTAH	49.9	79.5	76.5	100.4	157.7
UNMIS	147.7	62.1	29.3	85.8	102.8
UNMIT	—	22.2	11.9	11.3	12.1
MINURCAT	—	—	44.7	136.1	79.4
UNAMID	—	—	344.6	126.1	120.6
Support for AMISOM	—	—	—	57.4	18.4
UNLB — SDS	13.6	13.6	13.6	13.6	13.6
Subtotal	**638.8**	**699.1**	**1 001.6**	**954.0**	**912.2**
Closed missions[a]					
UNMEE	22.4	8.4	17.3	13.5	2.6
ONUB	31.1	3.4	2.0	1.0	0.9
UNAMSIL/UNOMSIL	14.8	7.3	6.8	2.1	0.8
UNMISET	36.8	25.0	33.1	29.1	28.9
UNIKOM	0.8	0.7	0.7	0.5	0.5
UNMIBH	35.5	35.3	35.2	34.1	34.1
UNSMIH/UNTMIH/MIPONUH	19.5	19.4	19.4	19.4	19.4
MINURCA	35.6	35.6	35.6	35.6	35.6
MONUA/UNAVEM	35.8	35.4	35.4	35.0	34.9
UNPREDEP	1.3	1.3	1.3	1.3	1.2
UNTAES	9.0	8.8	8.9	8.8	8.8
UNOMIL	0.1	—	—	—	—
UNPF	149.4	144.5	144.1	142.4	142.2
MINUGUA	0.1	0.1	0.1	0.1	0.1

Mission	*30 June 2006*	*30 June 2007*	*30 June 2008*	*30 June 2009*	*30 June 2010*
UNMIH	0.2	0.1	0.1	—	—
UNAMIR/UNOMUR	1.7	1.5	1.5	1.3	1.3
ONUSAL	2.1	2.1	0.4	0.3	0.3
ONUMOZ	18.2	16.9	16.9	16.7	16.7
UNOSOM	59.4	58.6	58.4	57.9	57.9
UNTAC	41.8	41.2	41.2	40.5	40.5
UNEF (1956)	42.6	42.6	42.6	42.6	42.6
ONUC	73.9	73.9	73.9	73.9	73.9
Subtotal	**632.1**	**562.1**	**574.9**	**556.1**	**543.2**
Total	**1 270.9**	**1 261.2**	**1 576.5**	**1 510.1**	**1 455.4**

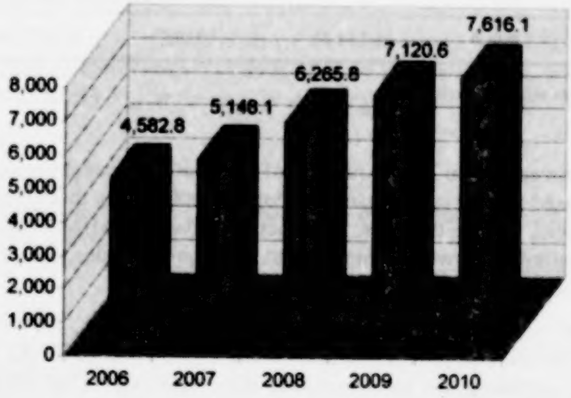
[a] Classification of active and closed missions is as at 30 June 2010; prior years have been reclassified accordingly.

E. Expenditures

9. Expenditures for the current fiscal year rose by 7.0 per cent, from $7,120.6 million in the previous fiscal year to $7,616.1 million. The increases in MONUC, MINUSTAH, MINURCAT and support for AMISOM were offset in part by the reduced expenditures in UNMIK, UNMIL, UNIFIL and UNOMIG.

10. Figure I.3 illustrates the trend in total expenditures for all peacekeeping operations for 2009/10 and the four preceding fiscal years.

Figure I.3
Expenditures for the United Nations peacekeeping operations
(Millions of United States dollars)



F. Liquidity: available cash versus liabilities

1. Active missions

11. Table I.3 summarizes the available cash and liabilities for each active peacekeeping mission as a measure of liquidity and provides a comparison with 2009/10.

Table I.3

Available cash versus liabilities as at 30 June 2010: active missions

(Millions of United States dollars)

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2010 (1)-(2)*	*Excess/(shortfall) 30 June 2009*
UNFICYP	5.9	(8.9)	(3.0)	(7.2)
UNDOF	17.8	(10.2)	7.6	5.6
UNIFIL	394.9	(313.3)	81.6	117.6
MINURSO	1.6	(24.8)	(23.2)	(22.4)
UNOMIG	3.7	(1.2)	2.5	(4.3)
UNMIK	7.9	(46.2)	(38.3)	(21.8)
MONUC	105.6	(286.2)	(180.6)	(136.2)
UNMIL	106.8	(125.8)	(19.0)	(39.7)
UNOCI	39.0	(78.9)	(39.9)	(38.4)
MINUSTAH	41.6	(201.1)	(159.5)	(102.1)
UNMIS	133.1	(211.6)	(78.5)	(50.9)
UNMIT	40.5	(44.4)	(3.9)	(9.1)
MINURCAT	228.6	(157.9)	70.7	(112.6)
UNAMID	571.8	(548.6)	23.2	(201.4)
Support for AMISOM	105.1	(75.5)	29.6	(54.6)
Total	**1 803.9**	**(2 134.6)**	**(330.7)**	**(677.5)**

[a] Sum of cash and term deposits and the cash pool.

[b] Represents total liabilities.

12. Table I.3 shows improvement in the liquidity of the active peacekeeping missions owing to the increased receipt of assessments during 2009/10 (as discussed in para. 6 above). Nevertheless, during the year, three active missions (MINURSO, UNOMIG and UNMIT) required borrowings from closed missions in order to meet their immediate operational requirements (see table I.6).

13. Table I.4 indicates the claim period for which payments for troops, formed police units and contingent-owned equipment had been made by 30 June 2010. As a result of improved liquidity, payments for most missions were made up to the most recent period, May 2010, for troop and formed police units and up to March 2010 for contingent-owned equipment.

Table I.4

Status of payments for troops, formed police units and contingent-owned equipment as at 30 June 2010

Mission	*Troops and formed police units paid up to*	*Contingent-owned equipment paid up to*
UNFICYP	May 2010	March 2010
UNDOF	May 2010	March 2010
UNIFIL	May 2010	March 2010
MINURSO	March 2002	December 2001
UNOMIG	Not applicable	October 2009/complete
UNMIK	March 2009/complete	September 2006
MONUC	May 2010	March 2010
UNMIL	May 2010	March 2010
UNOCI	May 2010	March 2010
MINUSTAH	May 2010	March 2010
UNMIS	May 2010	March 2010
UNMIT	April 2010	March 2010
MINURCAT	May 2010	March 2010
UNAMID	May 2010	March 2010
Support for AMISOM	Not applicable	Not applicable

2. Closed missions

14. Table I.5 summarizes cash available and total liabilities for all closed missions. Missions with cash surpluses totalled $238.5 million, and missions with cash deficits totalled $176.7 million. These positions were largely unchanged from the preceding year.

Table I.5

Available cash versus liabilities as at 30 June 2010: closed missions

(Millions of United States dollars)

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2010 (1)-(2)*	*Excess/(shortfall) 30 June 2009*
Mission with cash surpluses				
UNMEE	20.0	12.3	7.7	9.2
ONUB	43.1	42.7	0.4	8.4
UNAMSIL/UNOMSIL	55.0	47.4	7.6	4.7
UNMISET	7.7	0.8	6.9	6.4

Mission	*Available cash*[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) 30 June 2010 (1)-(2)*	*Excess/(shortfall) 30 June 2009*
UNIKOM	4.3	1.7	2.6	2.8
UNMIBH	16.4	—	16.4	16.0
UNMOT	4.1	0.9	3.2	3.1
MONUA/UNAVEM	25.1	—	25.1	24.3
UNPREDEP	14.0	2.6	11.4	11.1
UNTAES	15.2	—	15.2	14.7
UNOMIL	6.1	0.9	5.2	5.0
UNPF	100.7	33.1[c]	67.6	59.1
UNMIH	53.8	28.0	25.8	24.5
UNAMIR/UNOMIR	27.1	—	27.1	26.5
ONUSAL	6.6	2.7	3.9	3.8
ONUMOZ	0.9	—	0.9	0.9
UNMLT	0.3	0.1	0.2	0.2
UNTAG	18.1	12.0	6.1	5.6
UNIIMOG	5.2	—	5.2	5.1
Subtotal	**423.7**	**185.2**	**238.5**	**231.4**
Mission with cash deficits				
UNSMIH/UNTMIH/MIPONUH	0.2	7.5	(7.3)	(7.3)
MINURCA	—	23.8	(23.8)	(23.8)
MINUGUA	—	0.1	(0.1)	(0.1)
UNOSOM	0.1	15.6	(15.5)	(15.5)
UNTAC	0.1	40.1	(40.0)	(39.9)
UNEF (1956)	—	43.2	(43.2)	(43.8)
ONUC	—	46.8	(46.8)	(46.8)
Subtotal	**0.4**	**177.1**	**(176.7)**	**(177.2)**
Total	**424.1**	**362.3**	**61.8**	**54.2**

[a] Sum of cash and term deposits and the cash pool.

[b] Total liabilities, including surplus to be transferred from UNPF and UNMIH of $29.6 million and $14.1 million, respectively.

[c] Excludes deferred credits of $127.4 million, being expenditures reimbursable by Member States.

15. Closed missions with cash surpluses continue to be the only available source of lending to active peacekeeping missions. During the current period, UNPF provided loans amounting to $30.0 million to MINURSO ($12.0 million), UNOMIG ($3.0 million) and UNMIT ($15.0 million). Total loans outstanding as at 30 June 2010 amounted to $22.8 million. The comparable amount as at 30 June 2009 was $28.8 million. Details of these loans and repayments are shown in table I.6.

Table I.6

Loans from closed missions

(Millions of United States dollars)

To	*From*	*Opening balance, 1 July 2009*	*Loan amount*	*Amount repaid*	*Closing balance, 30 June 2010*	*Month lent*	*Month repaid*
MINURCA	UNMIH	3.2	—	—	3.2	August 1999	—
MINURCA	UNPF	0.2	—	—	0.2	August 1999	—
UNSMIH	UNMIH	7.4	—	—	7.4	August 1999	—
MINURSO	UNPF	2.5	—	2.5	—	August 2008	October 2009
MINURSO	UNPF	4.0	—	4.0	—	January 2009	October 2009
MINURSO	UNPF	3.5	—	3.5	—	February 2009	October 2009
MINURSO	UNPF	6.0	—	6.0	—	April 2009	March 2010
MINURSO	UNPF	—	4.5	—	4.5	December 2009	—
MINURSO	UNPF	—	3.5	—	3.5	January 2010	—
MINURSO	UNPF	—	4.0	—	4.0	February 2010	—
UNOMIG	UNPF	2.0	—	2.0	—	December 2008	October 2009
UNOMIG	UNPF	—	3.0	3.0	—	September 2009	March 2010
UNMIT	UNPF	—	15.0	15.0	—	January 2010	March 2010
Total		**28.8**	**30.0**	**36.0**	**22.8**		

G. Peacekeeping Reserve Fund

16. In 2009/10, no loans were made from the Peacekeeping Reserve Fund.

17. As at 30 June 2010, the Fund had working capital funds of $150.0 million and a cumulative surplus of $7,679,000. Under the terms of General Assembly resolution 64/271, $4,303,500 of the cumulative surplus representing the excess balance for the period ended 30 June 2009 will be applied to meet the requirements of the support account for peacekeeping operations for 2010/11. The remaining surplus balance of $3,375,500, representing the excess balance for the period ended 30 June 2010, is available for future utilization, as directed by the Assembly.

H. Support account for peacekeeping operations

18. Total expenditures rose by $46.5 million, from the $272.0 million reported in 2008/09 to $318.5 million in the current period. The increase was due mainly to higher expenditures for civilian personnel and operational requirements, reflecting the overall growth in peacekeeping operations and the funding for the implementation of the new enterprise resource planning system (Umoja).

I. United Nations Logistics Base at Brindisi, Italy

19. UNLB manages, inter alia, surplus assets from closed or downsized missions, and strategic deployment stocks. Strategic deployment stocks with an estimated replacement value of $37.2 million were shipped to various peacekeeping and political missions during 2009/10, thereby generating funds for replenishment. In addition, $70.2 million was available for replenishment, representing the surplus strategic deployment stock balance brought forward from 30 June 2009. However, the total expenditures for replenishment during 2009/10 amounted to $66.7 million.

20. The reported value of strategic deployment stocks as at 30 June 2010 was $101.0 million, including $9.9 million for expendable property. This included $2.2 million in stocks that had been shipped but not yet received by the missions and $0.7 million in stocks that had been committed for shipment to missions. Therefore, the value of strategic deployment stocks available for immediate deployment was $98.1 million.

J. Liabilities for end-of-service and post-retirement benefits

21. Total accrued liabilities for peacekeeping operations for end-of-service and post-retirement benefits were $578.5 million, comprising $92.5 million for unused vacation days, $97.4 million for repatriation benefits and $388.6 million for after-service health insurance benefits. Liabilities for unused vacation days and repatriation benefits are shown in individual financial statements, whereas liabilities for after-service health insurance are shown altogether in statement XXII.

22. Overall United Nations liabilities for after-service health insurance as at 31 December 2009 were determined through an actuarial valuation. Of the total accrued liabilities of $2,302.5 million, an amount of $365.0 million was apportioned to peacekeeping operations. This amount was rolled forward to 30 June 2010, and after-service health insurance liabilities as at that date pertaining to peacekeeping operations were estimated to be $388.6 million.

Annex

Supplementary information

1. The present annex provides supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 106.8, losses of cash and receivables amounting to $74,848 were written off during the period ended 30 June 2010. A summary statement of losses was provided to the Board of Auditors in compliance with financial rule 106.8.

Write-off of losses of property

3. In accordance with financial rule 106.9, property with an original cost of $15,640,381 was written off during the period ended 30 June 2010. The breakdown was as follows:

(United States dollars)

	Original cost
Damages/accidents	5 214 451
Losses/thefts	3 949 215
Malfunctions	6 066 763
Inventory discrepancies and other	409 952
Total	**15 640 381**

4. The write-offs bring the recorded balances of properties to the same levels as those shown in the property records for the actual quantities on hand.

5. The original cost of all non-expendable property on hand as at 30 June 2010 was $2,122,085,000, as also reported in note 13 to the financial statements. A summary statement showing the original cost of property write-offs was provided to the Board of Auditors in accordance with financial rule 106.9.

Chapter V

Financial statements for the 12-month period from 1 July 2009 to 30 June 2010

Summary of United Nations peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, programme support, Logistics Base, after-service health insurance*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total for the period*	
					1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income						
Assessed contributions	7 963 227	—	—	—	7 963 227	7 060 505
Voluntary contributions	33 155	—	—	—	33 155	33 544
Allocation from other funds	—	370 900	—	(369 470)	1 430	691
Interest income	50 854	7 575	10 466	—	68 895	85 671
Other/miscellaneous income	28 763	1 655	2 202	—	32 620	72 501
Total income	**8 075 999**	**380 130**	**12 668**	**(369 470)**	**8 099 327**	**7 252 912**
Total expenditure	**7 535 073**[b]	**443 101**	—	**(362 084)**	**7 616 090**	**7 120 558**
Excess (shortfall) of income over expenditure	**540 926**	**(62 971)**	**12 668**	**(7 386)**	**483 237**	**132 354**
Non-budgeted accrued expenses for end-of-service and post-retirement liabilities[c]	(65 033)	62 545	152	—	(2 336)	(56 325)
Prior-period adjustments	(127)	—	(692)	63	(756)	(8 909)
Net excess (shortfall) of income over expenditure	**475 766**	**(426)**	**12 128**	**(7 323)**	**480 145**	**67 120**
Cancellation of prior-period obligations	182 978	3 145	1 600	—	187 723	169 629
Credits returned to Member States	(327 708)	—	(26 311)	—	(354 019)	(691 308)
Transfer to other funds	—	(7 323)	—	7 323	0	—
Reserves and fund balances, beginning of period	**372 525**	**(219 244)**	**709 510**	—	**862 791**	**1 317 350**
Reserves and fund balances, end of period	**703 561**	**(223 848)**	**696 927**	**0**	**1 176 640**	**862 791**

(Footnotes on following page)

(Footnotes to Statement I)

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[a] See note 5.

[b] Schedule 1.1.

[c] Represents net decrease in accrued end-of-service and post-retirement liabilities during the current period.

The accompanying notes are an integral part of the financial statements.

United Nations peacekeeping operations

Summary of expenditure for active peacekeeping operations for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

Mission	*Appropriation*	*Expenditure*						*Unencumbered balance*
		Military and police personnel	*Civilian personnel*	*Operational requirements*	*Prorated costs of UNLB and support account*	*Voluntary contributions (budgeted)*	*Total expenditure*	
UNFICYP	58 280	22 487	15 336	15 476	2 383	1 327	57 009	1 271
UNDOF	47 020	21 502	10 717	12 811	1 990	—	47 020	—
UNIFIL	615 775	289 674	96 020	156 417	25 976	—	568 087	47 688
MINURSO	58 926	6 497	19 140	26 299	2 349	2 848	57 133	1 793
UNOMIG	11 599	415	8 432	1 433	653	—	10 933	666
UNMIK	48 865	760	36 792	9 108	2 056	—	48 716	149
MONUC	1 410 865	537 712	269 288	538 224	59 327	3 481	1 408 032	2 833
UNMIL	585 735	267 494	113 305	161 011	24 703	53	566 566	19 169
UNOCI	513 443	226 124	100 002	147 432	21 669	—	495 227	18 216
MINUSTAH	759 348	295 307	148 001	270 433	26 955	—	740 696	18 652
UNMIS	1 000 578	298 522	224 516	409 414	42 228	—	974 680	25 898
UNMIT	215 012	63 610	76 867	50 642	9 072	—	200 191	14 821
MINURCAT	721 167	160 220	98 268	282 318	30 414	—	571 220	149 947
UNAMID	1 669 398	655 548	265 286	627 021	70 456	—	1 618 311	51 087
Support for AMISOM	220 741	22 575	16 338	125 366	6 102	871	171 252	49 489
Subtotal	**7 936 752**	**2 868 447**	**1 498 308**	**2 833 405**	**326 333**	**8 580**	**7 535 073**	**401 679**
UNLB — strategic deployment stock replenishment	107 338[a]	—	—	66 693	—	—	66 693	40 645
Total	**8 044 090**	**2 868 447**	**1 498 308**	**2 900 098**	**326 333**	**8 580**	**7 601 766**[b]	**442 324**

(Footnotes on following page)

(Footnotes to Schedule 1.1)

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[a] Appropriations do not apply to strategic deployment stock activities. Instead, funding for strategic deployment stocks is based on current period transfers to peacekeeping and political missions and to other entities, and fund balances brought forward from the preceding period.

	(Thousands of United States dollars)
[b] Total expenditure per schedule 1.1	7,601,766
Less: pro-rated costs of UNLB and support account per schedule 1.1	(326,333)
Less: strategic deployment stock replenishments recorded in peacekeeping missions and UNLB	(35,751)
Add: actual costs of support account and UNLB per schedules 20.1 and 21.1	376,407
Add: actual expenditure of Peacekeeping Reserve Fund per statement XIX	1
Total expenditure as per statement I	7,616,090

Statement II

Summary of United Nations peacekeeping operations[a]

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	Total active operations	*Peacekeeping Reserve Fund, programme support, Logistics Base, after-service health insurance*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total*	
					2010	*2009*
Assets						
Cash and term deposits	33 797	1 767	699	—	36 263	50 773
Cash pool[b]	1 770 059	233 243	423 372	—	2 426 674	2 762 731
Assessed contributions receivable from Member States[c]	898 559	13 581	543 250	—	1 455 390	1 510 154
Special accounts for unpaid assessed contributions	55 552	—	11 962	—	67 514	67 514
Voluntary contributions receivable	9 360	—	—	—	9 360	9 583
Accounts receivable from Member States	5 094	7	135 820[d]	—	140 921	140 352
Other accounts receivable	56 208	4 271	1 110	(8 909)	52 680	36 393
Inter-fund balances receivable	2 442	32 718	995	(36 155)	0	—
Due from other peacekeeping funds	—	12 820	22 816	(35 636)	0	—
Deferred charges	7 066	2 613	—	—	9 679	6 600
Other assets	52	—	2 849	—	2 901	3 903
Total assets	**2 838 189**	**301 020**	**1 142 873**	**(80 700)**	**4 201 382**	**4 588 003**
Liabilities						
Contributions or payments received in advance	79 534	—	5 969	—	85 503	37 027
Unliquidated obligations	1 307 852	76 102	153	—	1 384 107	1 499 719
Accounts payable to Member States	311 339	—	226 888	—	538 227	1 224 534
Other accounts payable	200 723	16 930	201	(8 909)	208 945	140 201
Inter-fund balances payable	54 451	10 042	402	(36 155)	28 740	45 452
Due to other peacekeeping funds	12 000	—	23 636	(35 636)	0	—
Voluntary contributions held in suspense	11 985	—	—	—	11 985	11 985
Deferred credits	46	—	127 380[d]	—	127 426	128 698
Due to United Nations Special Account	—	—	3 329	—	3 329	3 329
Due to United Nations Bond Account	—	—	44 048	—	44 048	44 048
Other liabilities	37	—	13 909	—	13 946	14 069
End-of-service and post-retirement liabilities[e]	156 661	421 794	31	—	578 486	576 150
Total liabilities	**2 134 628**	**524 868**	**445 946**	**(80 700)**	**3 024 742**	**3 725 212**
Reserves and fund balances						
Working capital funds	—	150 000	—	—	150 000	150 000

	Total active operations	*Peacekeeping Reserve Fund, programme support, Logistics Base, after-service health insurance*	*Total completed operations*	*All peacekeeping funds eliminations*	*Total*	
					2010	*2009*
Authorized retained surplus	55 552	—	80 211	—	135 763	135 763
Surplus to be transferred[f]	—	—	43 744	—	43 744	43 746
Cumulative surplus — strategic deployment stock activities	—	41 056	—	—	41 056	70 157
Cumulative surplus	804 670	6 890	573 003	—	1 384 563	1 039 275
Deficit — end-of-service and post-retirement liabilities	(156 661)	(421 794)	(31)	—	(578 486)	(576 150)
Total reserves and fund balances	**703 561**	**(223 848)**	**696 927**	**0**	**1 176 640**	**862 791**
Total liabilities and reserves and fund balances	**2 838 189**	**301 020**	**1 142 873**	**(80 700)**	**4 201 382**	**4 588 003**

[a] See note 5.

[b] See note 2 (l) (ii).

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] In accordance with General Assembly resolution 51/12 A, includes expenditures totalling $127,379,954, which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits. See statement XXXVI.

[e] Represents accrued liabilities for unused vacation days of $92,509,395, for repatriation benefits of $97,376,034 and for after-service health insurance of $388,600,000. See note 14.

[f] Under the terms of General Assembly resolution 56/292, an amount of $43,744,353 shall be returned to a Member State upon its settlement of the separate assessment for strategic deployment stocks. See statements XXXVI and XXXVIII.

The accompanying notes are an integral part of the financial statements.

Statement III

Summary of United Nations peacekeeping operations[a]

Statement of cash flows for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (statement I)	480 145	67 120
(Increase) decrease in assessed contributions receivable	54 764	66 347
(Increase) decrease in voluntary contributions receivable	223	10 003
(Increase) decrease in accounts receivable from Member States	(569)	1 114
(Increase) decrease in other accounts receivable	(16 287)	(1 448)
(Increase) decrease in deferred charges	(3 079)	(1 767)
(Increase) decrease in other assets	1 002	(588)
Increase (decrease) in contributions or payments received in advance	48 476	14 369
Increase (decrease) in unliquidated obligations	(115 612)	110 478
Increase (decrease) in accounts payable to Member States	(686 307)	489 361
Increase (decrease) in other accounts payable	68 744	(119 965)
Increase (decrease) in inter-fund balances payable	(16 712)	6 178
Increase (decrease) in deferred credits	(1 272)	(17)
Increase (decrease) in other liabilities	(123)	(47)
Increase (decrease) in end-of-service and post-retirement liabilities	2 336	56 325
Less: Interest income	(68 895)	(85 671)
Net cash flows from operating activities	**(253 166)**	**611 792**
Cash flows from investing activities		
Interest income	68 895	85 671
Net cash flows from investing activities	**68 895**	**85 671**
Cash flows from financing activities		
Cancellation of prior-period obligations	187 723	169 629
Credits to Member States	(354 019)	(691 308)
Net cash flows from financing activities	**(166 296)**	**(521 679)**
Net increase (decrease) in cash and term deposits and cash pool	(350 567)	175 784
Cash and term deposits and cash pool, beginning of period	2 813 504	2 637 720
Cash and term deposits and cash pool, end of period	**2 462 937**	**2 813 504**

[a] See note 5.

The accompanying notes are an integral part of the financial statements.

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	32 221	32 628
Voluntary contributions[c]	25 902	26 342
Interest income	322	442
Other/miscellaneous income	109	50
Total income	**58 554**	**59 462**
Total expenditure (schedule 4.1)	**57 009**	**58 846**
Excess (shortfall) of income over expenditure	**1 545**	**616**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(53)	(120)
Prior period adjustments	(18)	(28)
Net excess (shortfall) of income over expenditure	**1 474**	**468**
Cancellation of prior-period obligations	962	355
Credits returned to Member States[e]	(944)	(1 310)
Reserves and fund balances, beginning of period	18 681	19 168
Reserves and fund balances, end of period[f]	**20 173**	**18 681**

Statement IV (concluded)

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1 477	733
Cash pool[a]	4 451	17 700
Assessed contributions receivable from Member States[b]	13 185	15 584
Voluntary contributions receivable from Member States[b]	9 360	9 583
Accounts receivable from Member States	55	52
Other accounts receivable	195	457
Deferred charges	325	224
Other assets	—	1
Total assets	**29 048**	**44 334**
Liabilities		
Contributions or payments received in advance	39	1
Unliquidated obligations — current period	4 698	5 165
Unliquidated obligations — prior periods	58	439
Accounts payable to Member States	940	17 239
Other accounts payable	269	278
Inter-fund balances payable	465	158
Other liabilities	—	20
End-of-service liabilities[i]	2 406	2 353
Total liabilities	**8 875**	**25 653**
Reserves and fund balances		
Cumulative surplus	22 579	21 034
Deficit — end-of-service liabilities	(2 406)	(2 353)
Total reserves and fund balances	**20 173**	**18 681**
Total liabilities and reserves and fund balances	**29 048**	**44 334**

(Footnotes on following page)

(Footnotes to Statement IV)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Includes voluntary contributions in cash of $18,074,373 from Cyprus and $6,500,000 from Greece, for which budgetary provisions were made. In addition, voluntary contributions in kind were received from Cyprus of $1,327,721, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 64/274, the total credits returned to Member States were $943,500 for the period ended 30 June 2009. Of the total, $517,502 was returned to Member States in respect of their assessments, and amounts of $314,186 and $111,812 were returned to Cyprus and Greece, respectively, with regard to their voluntary contributions in cash.

[f] Under the terms of General Assembly resolution 47/236, and as reconfirmed in Assembly resolution 61/233 B, obligations recorded for the period from 27 March 1964 to 15 June 1993 in the UNFICYP account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 15 June 1993, the cumulative obligations financed from such voluntary contributions as at 30 June 2010 totalled $200,421,530. The change from the comparable figure as at 30 June 2009 is due to exchange rate movements. See note 6.

[g] Represents share of the cash pool and comprises cash and term deposits of $477,863, short-term investments of $1,396,238 (market value $1,403,487), long-term investments of $2,559,018 (market value $2,580,845) and accrued interest receivable of $18,178.

[h] Represents voluntary contributions receivable in cash in respect of the period ended 30 June 2010 of $437,911 and $3,409,021 from Cyprus and Greece, respectively; and voluntary contributions receivable in respect of the period prior to 15 June 1993 of $2,707,500 and DKr 16,930,100 (equivalent $2,805,319) from Austria and Denmark, respectively.

[i] Represents accrued liabilities for unused vacation days of $1,410,517 and for repatriation benefits of $995,089. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 4.1

United Nations Peacekeeping Force in Cyprus (UNFICYP)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	23 844	(1 313)	22 531	21 902	585	22 487	44
Civilian personnel	14 442	1 175	15 617	15 314	22	15 336	281
Operational requirements	16 127	138	16 265	11 385	4 091	15 476	789
Subtotal	**54 413**	—	**54 413**	**48 601**	**4 698**	**53 299**	**1 114**
Prorated costs							
United Nations Logistics Base	400	—	400	400	—	400	—
Support account for peacekeeping operations	1 983	—	1 983	1 983	—	1 983	—
Subtotal	**2 383**	—	**2 383**	**2 383**	—	**2 383**	—
Voluntary contributions in kind (budgeted)	1 484	—	1 484	1 327	—	1 327	157
Total	**58 280**	—	**58 280**	**52 311**	**4 698**	**57 009**	**1 271**

[a] In accordance with General Assembly resolution 63/290.

Statement V

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	47 020	50 376
Interest income	457	985
Other/miscellaneous income	156	354
Total income	**47 633**	**51 715**
Total expenditure (schedule 5.1)	**47 020**	**47 845**
Excess (shortfall) of income over expenditure	**613**	**3 870**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(2)	(76)
Prior-period adjustments	(1)	(59)
Net excess (shortfall) of income over expenditure	**610**	**3 735**
Cancellation of prior-period obligations	240	639
Credits returned to Member States[d]	(1 933)	(2 076)
Reserves and fund balances, beginning of period	56 750	54 452
Reserves and fund balances, end of period	**55 667**	**56 750**

Statement V (concluded)

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits[e]	253	717
Cash pool[f]	17 595	15 348
Assessed contributions receivable from Member States[b]	11 417	14 538
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[g]	35 987	35 987
Accounts receivable from Member States	229	270
Other accounts receivable	284	273
Deferred charges	105	130
Other assets	—	1
Total assets	**65 870**	**67 264**
Liabilities		
Contributions or payments received in advance	3	23
Unliquidated obligations — current period	4 161	6 850
Unliquidated obligations — prior periods	16	8
Accounts payable to Member States	2 475	1 176
Other accounts payable	1 134	543
Inter-fund balances payable	683	185
End-of-service liabilities[h]	1 731	1 729
Total liabilities	**10 203**	**10 514**
Reserves and fund balances		
Authorized retained surplus[i]	35 987	35 987
Cumulative surplus	21 411	22 492
Deficit — end-of-service liabilities	(1 731)	(1 729)
Total reserves and fund balances	**55 667**	**56 750**
Total liabilities and reserves and fund balances	**65 870**	**67 264**

(Footnotes on following page)

(Footnotes to Statement V)

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[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/281, the total assessment on Member States was reduced by $1,933,400, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Includes $51,013 equivalent of non-convertible Syrian pounds.

[f] Represents share of the cash pool and comprises cash and term deposits of $1,888,849, short-term investments of $5,518,909 (market value $5,547,562), long-term investments of $10,115,025 (market value $10,201,301) and accrued interest receivable of $71,854.

[g] See note 4 (b).

[h] Represents accrued liabilities for unused vacation days of $817,234 and for repatriation benefits of $913,194. See note 14.

[i] See note 7.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

United Nations Disengagement Observer Force (UNDOF)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	21 489	13	21 502	20 412	1 090	21 502	—
Civilian personnel	10 215	502	10 717	10 676	41	10 717	—
Operational requirements	13 326	(515)	12 811	9 781	3 030	12 811	—
Subtotal	**45 030**	**—**	**45 030**	**40 869**	**4 161**	**45 030**	**—**
Prorated costs							—
United Nations Logistics Base	334	—	334	334	—	334	—
Support account for peacekeeping operations	1 656	—	1 656	1 656	—	1 656	—
Subtotal	**1 990**	**—**	**1 990**	**1 990**	**—**	**1 990**	**—**
Total	**47 020**	**—**	**47 020**	**42 859**	**4 161**	**47 020**	**—**

[a] In accordance with General Assembly resolution 63/297.

Statement VI

United Nations Interim Force in Lebanon (UNIFIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	615 775	680 933
Interest income	9 925	12 269
Other/miscellaneous income	1 413	2 516
Total income	**627 113**	**695 718**
Total expenditure (schedule 6.1)	**568 087**	**605 713**
Excess (shortfall) of income over expenditure	**59 026**	**90 005**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(1 344)	(1 641)
Prior-period adjustments	(1)	(252)
Net excess (shortfall) of income over expenditure	**57 681**	**88 112**
Cancellation of prior-period obligations	3 927	11 996
Credits returned to Member States[d]	(101 749)	(154 292)
Reserves and fund balances, beginning of period	175 179	229 363
Reserves and fund balances, end of period	**135 038**	**175 179**

Statement VI (concluded)

United Nations Interim Force in Lebanon (UNIFIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	2 004	1 813
Cash pool[e]	392 907	438 472
Assessed contributions receivable from Member States[b]	27 986	33 065
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A[f]	19 565	19 565
Accounts receivable from Member States	3 744	2 912
Other accounts receivable	1 616	1 552
Deferred charges	540	493
Other assets	3	9
Total assets	**448 365**	**497 881**
Liabilities		
Contributions or payments received in advance	42	2 358
Unliquidated obligations —current period	99 371	112 479
Unliquidated obligations — prior periods	52 231	42 540
Accounts payable to Member States	126 840	134 197
Other accounts payable	5 353	2 944
Inter-fund balances payable	4 138	4 128
Voluntary contributions held in suspense[g]	11 985	11 985
Deferred credits	—	48
End-of-service liabilities[h]	13 367	12 023
Total liabilities	**313 327**	**322 702**
Reserves and fund balances		
Authorized retained surplus[i]	19 565	19 565
Cumulative surplus	128 840	167 637
Deficit — end-of-service liabilities	(13 367)	(12 023)
Total reserves and fund balances	**135 038**	**175 179**
Total liabilities and reserves and fund balances	**448 365**	**497 881**

(Footnotes on following page)

(Footnotes to Statement VI)

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[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/282, the total assessment on Member States was reduced by $101,748,900 comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $42,180,019, short-term investments of $123,243,164 (market value $123,883,022), long-term investments of $225,879,366 (market value $227,806,005) and accrued interest receivable of $1,604,575.

[f] See note 4 (c).

[g] Received from Cyprus, Kuwait, Luxembourg, Oman, Seychelles and Switzerland.

[h] Represents accrued end-of-service liabilities for unused vacation days of $6,974,699 and for repatriation benefits of $6,392,832. See note 14.

[i] See note 8.

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

United Nations Interim Force in Lebanon (UNIFIL)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	319 580	2 750	322 330	256 185	33 489	289 674	32 656
Civilian personnel	96 986	—	96 986	95 420	600	96 020	966
Operational requirements	173 233	(2 750)	170 483	91 135	65 282	156 417	14 066
Subtotal	**589 799**	**—**	**589 799**	**442 740**	**99 371**	**542 111**	**47 688**
Prorated costs							
United Nations Logistics Base	4 358	—	4 358	4 358	—	4 358	—
Support account for peacekeeping operations	21 618	—	21 618	21 618	—	21 618	—
Subtotal	**25 976**	**—**	**25 976**	**25 976**	**—**	**25 976**	**—**
Total	**615 775**	**—**	**615 775**	**468 716**	**99 371**	**568 087**	**47 688**

[a] In accordance with General Assembly resolution 63/298.

Statement VII

United Nations Mission for the Referendum in Western Sahara (MINURSO)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	55 877	47 703
Voluntary contributions[c]	2 848	2 904
Interest income	124	140
Other/miscellaneous income	87	465
Total income	**58 936**	**51 212**
Total expenditure (schedule 7.1)	**57 133**	**50 067**
Excess (shortfall) of income over expenditure	1 803	1 145
Non-budgeted accrued expenses for end-of-service liabilities[d]	(453)	(120)
Prior-period adjustments	—	(43)
Net excess (shortfall) of income over expenditure	**1 350**	**982**
Cancellation of prior-period obligations	585	536
Credits returned to Member States[e]	(1 639)	(1 723)
Reserves and fund balances, beginning of period	26 030	26 235
Reserves and fund balances, end of period	**26 326**	**26 030**

Statement VII (concluded)

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	179	788
Cash pool[f]	1 422	3 508
Assessed contributions receivable from Member States[b]	48 916	48 182
Accounts receivable from Member States	299	71
Other accounts receivable	239	139
Deferred charges	38	22
Total assets	**51 093**	**52 710**
Liabilities		
Contributions or payments received in advance	68	78
Unliquidated obligations — current period	4 951	2 832
Unliquidated obligations — prior periods	169	313
Accounts payable to Member States	3 395	3 706
Other accounts payable	1 344	1 517
Inter-fund balances payable	403	243
Due to United Nations Peace Forces	12 000	16 000
Deferred credits	—	7
End-of-service liabilities[g]	2 437	1 984
Total liabilities	**24 767**	**26 680**
Reserves and fund balances		
Cumulative surplus	28 763	28 014
Deficit — end-of-service liabilities	(2 437)	(1 984)
Total reserves and fund balances	**26 326**	**26 030**
Total liabilities and reserves and fund balances	**51 093**	**52 710**

(Footnotes on following page)

(Footnotes to Statement VII)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind from Morocco, Algeria and the Frente POLISARIO amounting to $2,494,330, $284,825 and $68,398, respectively, for which budgetary provisions have been made for meals, transportation and other miscellaneous services.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 64/284, the total assessment on Member States was reduced by $1,638,500, comprising unencumbered balance and other income for the period ended 30 June 2009.

[f] Represents share of the cash pool and comprises cash and term deposits of $152,702, short-term investments of $446,171 (market value $448,488), long-term investments of $817,740 (market value $824,715) and accrued interest receivable of $5,809.

[g] Represents accrued liabilities for unused vacation days of $768,226 and for repatriation benefits of $1,668,569. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

United Nations Mission for the Referendum in Western Sahara (MINURSO)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	6 278	243	6 521	6 042	455	6 497	24
Civilian personnel	18 447	1 983	20 430	19 070	70	19 140	1 290
Operational requirements	28 803	(2 226)	26 577	21 873	4 426	26 299	278
Subtotal	**53 528**	**—**	**53 528**	**46 985**	**4 951**	**51 936**	**1 592**
Prorated costs							
United Nations Logistics Base	394	—	394	394	—	394	—
Support account for peacekeeping operations	1 955	—	1 955	1 955	—	1 955	—
Subtotal	**2 349**	**—**	**2 349**	**2 349**	**—**	**2 349**	**—**
Voluntary contributions in kind (budgeted)	3 049	—	3 049	2 848	—	2 848	201
Total	**58 926**	**—**	**58 926**	**52 182**	**4 951**	**57 133**	**1 793**

[a] In accordance with General Assembly resolution 63/300.

Statement VIII

United Nations Observer Mission in Georgia (UNOMIG)[a,b]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 31 October 2009 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[c,d]	12 600	34 581
Interest income	69	413
Other/miscellaneous income	488	137
Total income	**13 157**	**35 131**
Total expenditure (schedule 8.1)	**10 933**	**35 582**
Excess (shortfall) of income over expenditure	**2 224**	**(451)**
Non-budgeted accrued expenses for end-of-service liabilities[e]	1 790	(469)
Prior-period adjustments	—	(17)
Net excess (shortfall) of income over expenditure	4 014	(937)
Cancellation of prior-period obligations	585	288
Credits returned to Member States[f]	(822)	(3 560)
Reserves and fund balances, beginning of period	3 839	8 048
Reserves and fund balances, end of period	**7 616**	**3 839**

Statement VIII (concluded)

United Nations Observer Mission in Georgia (UNOMIG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	37	986
Cash pool[a]	3 690	3 421
Assessed contributions receivable from Member States[c]	5 106	7 991
Other accounts receivable	14	100
Deferred charges	—	45
Inter-fund balances receivable	18	—
Other assets	—	1
Total assets	**8 865**	**12 544**
Liabilities		
Contributions or payments received in advance	1 081	6
Unliquidated obligations — current period	34	1 392
Accounts payable to Member States	—	2 345
Other accounts payable	125	576
Inter-fund balances payable	—	583
Due to United Nations Peace Forces	—	2 000
Deferred credits	—	4
End-of-service liabilities[b]	9	1 799
Total liabilities	**1 249**	**8 705**
Reserves and fund balances		
Cumulative surplus	7 625	5 638
Deficit — end-of-service liabilities	(9)	(1 799)
Total reserves and fund balances	**7 616**	**3 839**
Total liabilities and reserves and fund balances	**8 865**	**12 544**

(Footnotes on following page)

(Footnotes to Statement VIII)

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[a] See notes 2 and 3.

[b] The mandate of the Mission ended as at 15 June 2009.

[c] Includes assessed contributions unpaid irrespective of collectability.

[d] Comprises:

(i) $10,946,000 for the administrative liquidation of the Mission for the period from 1 July 2009 to 31 October 2009, in accordance with General Assembly resolutions 63/293 and 64/234;

(ii) $652,700 for the support account for peacekeeping operations and UNLB for the period from 1 July 2009 to 30 June 2010, in accordance with General Assembly resolution 63/293;

(iii) $934,857 to cover the shortfall in assessments for the maintenance of the Mission for the period from 1 July 2008 to 30 June 2009, in accordance with General Assembly resolution 64/234;

(iv) $66,658 for the support account for peacekeeping operations and UNLB for the period from 15 June 2009 to 30 June 2009, in accordance with General Assembly resolution 64/234.

[e] Represents net increase in accrued end-of-service liabilities during the current period.

[f] Under the terms of General Assembly resolution 64/234, the total assessment on Member States was reduced by $821,900, representing other income for the period ended 30 June 2009.

[g] Represents share of the cash pool and comprises cash and term deposits of $396,160, short-term investments of $1,157,516 (market value $1,163,526), long-term investments of $2,121,489 (market value $2,139,585) and accrued interest receivable of $15,070.

[h] Represents accrued liabilities for unused vacation days of $9,143. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1

United Nations Observer Mission in Georgia (UNOMIG)

Expenditure for the period from 1 July 2009 to 31 October 2009 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	456	—	456	415	—	415	41
Civilian personnel	7 803	856	8 659	8 432	—	8 432	227
Operational requirements	2 687	(856)	1 831	1 399	34	1 433	398
Subtotal	**10 946**	—	**10 946**	**10 246**	**34**	**10 280**	**666**
Prorated costs							
United Nations Logistics Base	110	—	110	110	—	110	—
Support account for peacekeeping operations	543	—	543	543	—	543	—
Subtotal	**653**	—	**653**	**653**	—	**653**	—
Total	**11 599**	—	**11 599**	**10 899**	**34**	**10 933**	**666**

[a] Represents $15,652,700 authorized by the General Assembly in its resolution 63/293, which was reduced to $11,598,700 by the Assembly in its resolution 64/234.

Statement IX

United Nations Interim Administration Mission in Kosovo (UNMIK)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	48 865	207 203
Interest income	286	855
Other/miscellaneous income	5 754	7 464
Total income	**54 905**	**215 522**
Total expenditure (schedule 9.1)	**48 716**	**177 714**
Excess (shortfall) of income over expenditure	**6 189**	**37 808**
Non-budgeted accrued expenses for end-of-service liabilities[c]	838	6 834
Prior-period adjustments	(15)	(78)
Net excess (shortfall) of income over expenditure	**7 012**	**44 564**
Cancellation of prior-period obligations	2 123	893
Credits returned to Member States[d]	(38 623)	(5 414)
Reserves and fund balances, beginning of period	36 874	(3 169)
Reserves and fund balances, end of period	**7 386**	**36 874**

Statement IX (concluded)

United Nations Interim Administration Mission in Kosovo (UNMIK)

Statement of assets, liabilities, and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1 862	3 784
Cash pool[e]	6 033	14 564
Assessed contributions receivable from Member States[b]	44 097	53 249
Accounts receivable from Member States	22	23
Other accounts receivable	1 535	5 310
Deferred charges	81	37
Other assets	—	55
Total assets	**53 630**	**77 022**
Liabilities		
Contributions or payments received in advance	13	575
Unliquidated obligations — current period	2 111	10 024
Unliquidated obligations — prior periods	262	126
Accounts payable to Member States	32 429	18 154
Other accounts payable	6 397	3 279
Inter-fund balances payable	540	2 655
Deferred credits	—	5
End-of-service liabilities[f]	4 492	5 330
Total liabilities	**46 244**	**40 148**
Reserves and fund balances		
Cumulative surplus	11 878	42 204
Deficit — end-of-service liabilities	(4 492)	(5 330)
Total reserves and fund balances	**7 386**	**36 874**
Total liabilities, reserves and fund balances	**53 630**	**77 022**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net decrease in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/279, the total assessment on Member States was reduced by $38,622,800, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $647,616, short term investment of $1,892,228 (market value $1,902,052), long-term investments of $3,468,065 (market value $3,497,646) and accrued interest receivable of $24,636.

[f] Represents accrued end-of-service liabilities for unused vacation days of $1,748,748 and for repatriation benefits of $2,743,255. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

United Nations Interim Administration Mission in Kosovo (UNMIK)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	705	100	805	748	12	760	45
Civilian personnel	33 929	2 948	36 877	36 588	204	36 792	85
Operational requirements	12 175	(3 048)	9 127	7 213	1 895	9 108	19
Subtotal	**46 809**	**—**	**46 809**	**44 549**	**2 111**	**46 660**	**149**
Prorated costs							
United Nations Logistics Base	345	—	345	345	—	345	—
Support account for peacekeeping operations	1 711	—	1 711	1 711	—	1 711	—
Subtotal	**2 056**	**—**	**2 056**	**2 056**	**—**	**2 056**	**—**
Total	**48 865**	**—**	**48 865**	**46 605**	**2 111**	**48 716**	**149**

[a] In accordance with General Assembly resolution 63/295.

Statement X

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	1 405 912	1 242 729
Voluntary contributions[c]	3 481	4 245
Interest income	6 152	5 639
Other/miscellaneous income	2 878	2 688
Total income	**1 418 423**	**1 255 301**
Total expenditure (schedule 10.1)	**1 408 032**	**1 222 639**
Excess (shortfall) of income over expenditure	**10 391**	**32 662**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(14 745)	(2 927)
Prior-period adjustments	(20)	(54)
Net excess (shortfall) of income over expenditure	**(4 374)**	**29 681**
Cancellation of prior-period obligations	24 704	19 256
Credits returned to Member States[e]	(51 863)	(69 975)
Reserves and fund balances, beginning of period	37 183	58 221
Reserves and fund balances, end of period	**5 650**	**37 183**

Statement X (concluded)

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1 961	2 828
Cash pool[f]	103 645	295 071
Assessed contributions receivable from Member States[b]	177 510	165 276
Accounts receivable from Member States	309	181
Other accounts receivable	7 243	6 634
Deferred charges	1 125	513
Other assets	40	751
Total assets	**291 833**	**471 254**
Liabilities		
Contributions or payments received in advance	16	1 655
Unliquidated obligations — current period	192 011	182 936
Unliquidated obligations — prior period	13 431	19 905
Accounts payable to Member States	24 898	191 628
Other accounts payable	25 584	15 926
Inter-fund balances payable	563	6 768
Deferred credits	35	323
Other liabilities	37	67
End-of-service liabilities[g]	29 608	14 863
Total liabilities	**286 183**	**434 071**
Reserves and fund balances		
Cumulative surplus	35 258	52 046
Deficit — end-of-service liabilities	(29 608)	(14 863)
Total reserves and fund balances	**5 650**	**37 183**
Total liabilities and reserves and fund balances	**291 833**	**471 254**

(Footnotes on following page)

(Footnotes to Statement X)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind received from Fondation Hirondelle for the operation of Radio Okapi, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 64/275, the total assessment on Member States was reduced by $51,863,000, comprising unencumbered balance and other income in respect of the period ended 30 June 2009.

[f] Represents share of the cash pool and comprises cash and term deposits of $11,126,724, short-term investments of $32,510,480 (market value $32,679,269), long-term investments of $59,585,021 (market value $60,093,252) and accrued interest receivable of $423,273.

[g] Represents accrued liabilities for unused vacation days of $14,790,446 and for repatriation benefits of $14,817,774. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 10.1

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	550 589	(12 791)	537 798	493 813	43 899	537 712	86
Civilian personnel	263 887	5 732	269 619	266 974	2 314	269 288	331
Operational requirements	532 109	7 059	539 168	392 426	145 798	538 224	944
Subtotal	**1 346 585**	**—**	**1 346 585**	**1 153 213**	**192 011**	**1 345 224**	**1 361**
Prorated costs							
United Nations Logistics Base	9 952	—	9 952	9 952	—	9 952	—
Support account for peacekeeping operations	49 375	—	49 375	49 375	—	49 375	—
Subtotal	**59 327**	**—**	**59 327**	**59 327**	**—**	**59 327**	**—**
Voluntary contributions in kind (budgeted)	4 953	—	4 953	3 481	—	3 481	1 472
Total	**1 410 865**	**—**	**1 410 865**	**1 216 021**	**192 011**	**1 408 032**	**2 833**

[a] In accordance with General Assembly resolution 63/291.

Statement XI

United Nations Mission in Liberia (UNMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	585 682	631 689
Voluntary contributions[c]	53	53
Interest income	3 300	4 568
Other/miscellaneous income	1 723	2 773
Total income	**590 758**	**639 083**
Total expenditure (schedule 12.1)	**566 566**	**621 503**
Excess (shortfall) of income over expenditure	**24 192**	**17 580**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(2 863)	(1 230)
Prior-period adjustments	(10)	(20)
Net excess (shortfall) of income over expenditure	**21 319**	**16 330**
Cancellation of prior-period obligations	8 593	6 250
Credits returned to Member States[e]	(23 809)	(54 157)
Reserves and fund balances, beginning of period	15 440	47 017
Reserves and fund balances, end of period	**21 543**	**15 440**

Statement XI (concluded)

United Nations Mission in Liberia (UNMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	893	7 138
Cash pool[f]	105 909	146 330
Assessed contributions receivable from Member States[b]	32 516	50 804
Other accounts receivable	5 531	3 949
Inter-fund balances receivable	2 051	—
Deferred charges	405	376
Other assets	—	13
Total assets	**147 305**	**208 610**
Liabilities		
Contributions or payments received in advance	14 108	8 271
Unliquidated obligations — current period	52 696	68 957
Unliquidated obligations — prior period	1 401	3 385
Accounts payable to Member States	32 032	97 293
Other accounts payable	14 281	5 380
Inter-fund balances payable	—	1 440
Deferred credits	1	42
Other liabilities	—	22
End-of-service liabilities[g]	11 243	8 380
Total liabilities	**125 762**	**193 170**
Reserves and fund balances		
Cumulative surplus	32 786	23 820
Deficit — end-of-service liabilities	(11 243)	(8 380)
Total reserves and fund balances	**21 543**	**15 440**
Total liabilities and reserves and fund balances	**147 305**	**208 610**

(Footnotes on following page)

(Footnotes to Statement XI)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contribution in kind from Germany for premises, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 64/280, the total assessment to Member States was reduced by $23,809,500, comprising unencumbered balance and other income for the period ended 30 June 2009.

[f] Represents share of the cash pool and comprises cash and term deposits of $11,369,769, short-term investments of $33,220,618 (market value $33,393,094), long-term investments of $60,886,558 (market value $61,405,890) and accrued interest receivable of $432,519.

[g] Represents accrued liabilities for unused vacation days of $4,844,658 and for repatriation benefits of $6,398,369. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 11.1

United Nations Mission in Liberia (UNMIL)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	282 501	(4 500)	278 001	250 112	17 382	267 494	10 507
Civilian personnel	120 080	(3 000)	117 080	111 647	1 658	113 305	3 775
Operational requirements	158 398	7 500	165 898	127 355	33 656	161 011	4 887
Subtotal	**560 979**	**—**	**560 979**	**489 114**	**52 696**	**541 810**	**19 169**
Prorated costs							
United Nations Logistics Base	4 144	—	4 144	4 144	—	4 144	—
Support account for peacekeeping operations	20 559	—	20 559	20 559	—	20 559	—
Subtotal	**24 703**	**—**	**24 703**	**24 703**	**—**	**24 703**	**—**
Voluntary contributions in kind (budgeted)	53	—	53	53	—	53	—
Total	**585 735**	**—**	**585 735**	**513 870**	**52 696**	**566 566**	**19 169**

[a] In accordance with General Assembly resolution 63/296.

Statement XII

United Nations Operation in Côte d'Ivoire (UNOCI)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	513 443	497 455
Interest income	2 512	1 687
Other/miscellaneous income	595	1 096
Total income	**516 550**	**500 238**
Total expenditure (schedule 12.1)	**495 227**	**497 425**
Excess (shortfall) of income over expenditure	**21 323**	**2 813**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(5 280)	(480)
Prior-period adjustments	(13)	—
Net excess (shortfall) of income over expenditure	**16 030**	**2 333**
Cancellation of prior-period obligations	3 733	4 204
Credits returned to Member States[d]	(7 017)	(19 500)
Reserves and fund balances, beginning of period	372	13 335
Reserves and fund balances, end of period	**13 118**	**372**

Statement XII (concluded)

United Nations Operation in Côte d'Ivoire (UNOCI)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	3 538	5 562
Cash pool[e]	35 434	123 282
Assessed contributions receivable from Member States[b]	46 939	34 639
Accounts receivable from Member States	207	182
Other accounts receivable	5 084	3 490
Inter-fund balances receivable	190	—
Deferred charges	610	491
Other assets	—	14
Total assets	**92 002**	**167 660**
Liabilities		
Contributions or payments received in advance	260	1 191
Unliquidated obligations — current period	48 076	45 686
Unliquidated obligations — prior periods	1 163	992
Accounts payable to Member States	9 163	106 182
Other accounts payable	8 287	4 652
Inter-fund balances payable	—	1 848
Deferred credits	4	70
Other liabilities	—	16
End-of-service liabilities[f]	11 931	6 651
Total liabilities	**78 884**	**167 288**
Reserves and fund balances		
Cumulative surplus	25 049	7 023
Deficit — end-of-service liabilities	(11 931)	(6 651)
Total reserves and fund balances	**13 118**	**372**
Total liabilities and reserves and fund balances	**92 002**	**167 660**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/273, the total assessment on Member States was reduced by $7,016,700, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $3,803,940, short-term investments of $11,114,496 (market value $11,172,200), long-term investments of $20,370,584 (market value $20,544,335) and accrued interest receivable of $144,706.

[f] Represents accrued liabilities for unused vacation days of $5,999,073 and for repatriation benefits of $5,931,550. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 12.1

United Nations Operation in Côte d'Ivoire (UNOCI)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	232 579	(943)	231 636	209 475	16 649	226 124	5 512
Civilian personnel	106 354	(607)	105 747	98 816	1 186	100 002	5 745
Operational requirements	152 841	1 550	154 391	117 191	30 241	147 432	6 959
Subtotal	**491 774**	—	**491 774**	**425 482**	**48 076**	**473 558**	**18 216**
Prorated costs							
United Nations Logistics Base	3 635	—	3 635	3 635	—	3 635	—
Support account for peacekeeping operations	18 034	—	18 034	18 034	—	18 034	—
Subtotal	**21 669**	—	**21 669**	**21 669**	—	**21 669**	—
Total	**513 443**	—	**513 443**	**447 151**	**48 076**	**495 227**	**18 216**

[a] In accordance with General Assembly resolution 63/289.

Statement XIII

United Nations Stabilization Mission in Haiti (MINUSTAH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	759 348	601 580
Interest income	2 394	2 463
Other/miscellaneous income	963	1 424
Total income	**762 705**	**605 467**
Total expenditure (schedule 14.1)	**740 696**	**601 065**
Excess (shortfall) of income over expenditure	**22 009**	**4 402**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(6 145)	(847)
Prior-period adjustments	(7)	(16)
Net excess (shortfall) of income over expenditure	15 857	3 539
Cancellation of prior-period obligations	4 753	4 652
Credits returned to Member States[d]	(9 039)	(19 025)
Reserves and fund balances, beginning of period	1 623	12 457
Reserves and fund balances, end of period	**13 194**	**1 623**

Statement XIII (concluded)

United Nations Stabilization Mission in Haiti (MINUSTAH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	2 625	2 557
Cash pool[e]	38 947	76 941
Assessed contributions receivable from Member States[b]	157 727	100 411
Accounts receivable from Member States	106	72
Other accounts receivable	13 370	3 009
Deferred charges	1 539	225
Other assets	—	5
Total assets	**214 314**	**183 220**
Liabilities		
Contribution or payments received in advance	372	3 837
Unliquidated obligations — current period	120 116	56 190
Unliquidated obligations — prior periods	3 877	3 777
Accounts payable to Member States	14 678	102 506
Other accounts payable	13 938	3 637
Inter-fund balances payable	34 563	4 127
Deferred credits	5	96
Other liabilities	—	1
End-of-service liabilities[f]	13 571	7 426
Total liabilities	**201 120**	**181 597**
Reserves and fund balances		
Cumulative surplus	26 765	9 049
Deficit — end-of-service liabilities	(13 571)	(7 426)
Total reserves and fund balances	**13 194**	**1 623**
Total liabilities and reserves and fund balances	**214 314**	**183 220**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/278, the total assessment on Member States was reduced by $9,038,800, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $4,181,121, short-term investments of $12,216,555 (market value $12,279,982), long-term investments of $22,390,433 (market value $22,581,412) and accrued interest receivable of $159,054.

[f] Represents accrued liabilities for unused vacation days of $7,005,386 and for repatriation benefits of $6,565,448. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 13.1

United Nations Stabilization Mission in Haiti (MINUSTAH)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	341 396	(38 330)	303 066	268 839	26 468	295 307	7 759
Civilian personnel	155 407	(119)	155 288	137 036	10 965	148 001	7 287
Operational requirements	235 590	38 449	274 039	187 750	82 683	270 433	3 606
Subtotal	**732 393**	**—**	**732 393**	**593 625**	**120 116**	**713 741**	**18 652**
Prorated costs							
United Nations Logistics Base	4 522	—	4 522	4 522	—	4 522	—
Support account for peacekeeping operations	22 433	—	22 433	22 433	—	22 433	—
Subtotal	**26 955**	**—**	**26 955**	**26 955**	**—**	**26 955**	
Total[b]	**759 348**	**—**	**759 348**	**620 580**	**120 116**	**740 696**	**18 652**

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[a] Represents $638,706,400 in accordance with General Assembly resolution 63/294 and $120,641,800 in accordance with Assembly resolution 64/264.

[b] In addition, voluntary contributions in kind estimated at $1,089,665 were received from various commercial enterprises for construction equipment and supplies for which budgetary provision has not been made.

Statement XIV

United Nations Mission in the Sudan (UNMIS)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	1 000 578	909 327
Interest income	5 319	8 591
Other/miscellaneous income	3 742	10 130
Total income	**1 009 639**	**928 048**
Total expenditure (schedule 15.1)	**974 680**	**898 539**
Excess (shortfall) of income over expenditure	**34 959**	**29 509**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(10 447)	741
Prior-period adjustments	(41)	(5)
Net excess (shortfall) of income over expenditure	**24 471**	**30 245**
Cancellation of prior-period obligations	17 134	18 983
Credits returned to Member States[d]	(48 487)	(82 199)
Reserves and fund balances, beginning of period	38 542	71 513
Reserves and fund balances, end of period	**31 660**	**38 542**

Statement XIV (concluded)

United Nations Mission in the Sudan (UNMIS)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	7 726	9 166
Cash pool[e]	125 355	216 259
Assessed contributions receivable from Member States[b]	102 748	85 812
Accounts receivable from Member States	69	52
Other accounts receivable	6 254	2 778
Deferred charges	1 129	717
Other assets	—	44
Total assets	**243 281**	**314 828**
Liabilities		
Contributions or payments received in advance	1 406	1 917
Unliquidated obligations — current period	136 282	100 375
Unliquidated obligations — prior periods	5 209	8 353
Accounts payable to Member States	23 936	142 930
Other accounts payable	20 097	10 947
Inter-fund balances payable	4 284	1 770
Deferred credits	1	6
Other liabilities	—	29
End-of-service liabilities[f]	20 406	9 959
Total liabilities	**211 621**	**276 286**
Reserves and fund balances		
Cumulative surplus	52 066	48 501
Deficit — end-of-service liabilities	(20 406)	(9 959)
Total reserves and fund balances	**31 660**	**38 542**
Total liabilities and reserves and fund balances	**243 281**	**314 828**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/283, the total assessment on Member States was reduced by $48,487,100, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $13,457,350, short-term investments of $39,320,190 (market value $39,524,334), long-term investments of $72,065,819 (market value $72,680,504) and accrued interest receivable of $511,933.

[f] Represents accrued liabilities for unused vacation days of $9,361,966 and for repatriation benefits of $11,043,865. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 14.1

United Nations Mission in the Sudan (UNMIS)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	309 828	(8 394)	301 434	272 835	25 687	298 522	2 912
Civilian personnel	224 123	1 280	225 403	220 265	4 251	224 516	887
Operational requirements	424 399	7 114	431 513	303 070	106 344	409 414	22 099
Subtotal	**958 350**	**—**	**958 350**	**796 170**	**136 282**	**932 452**	**25 898**
Prorated costs							
United Nations Logistics Base	7 084	—	7 084	7 084	—	7 084	—
Support account for peacekeeping operations	35 144	—	35 144	35 144	—	35 144	—
Subtotal	**42 228**	**—**	**42 228**	**42 228**	**—**	**42 228**	**—**
Total	**1 000 578**	**—**	**1 000 578**	**838 398**	**136 282**	**974 680**	**25 898**

[a] In accordance with General Assembly resolution 63/273 B.

Statement XV

United Nations Integrated Mission in Timor-Leste (UNMIT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	215 012	180 841
Interest income	835	899
Other/miscellaneous income	821	1 514
Total income	**216 668**	**183 254**
Total expenditure (schedule 16.1)	**200 191**	**180 814**
Excess (shortfall) of income over expenditure	**16 477**	**2 440**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(3 544)	(742)
Prior-period adjustments	(1)	(4)
Net excess (shortfall) of income over expenditure	12 932	1 694
Cancellation of prior-period obligations	1 320	4 343
Credits returned to Member States[d]	(6 779)	(14 478)
Reserves and fund balances, beginning of period	2 789	11 230
Reserves and fund balances, end of period	**10 262**	**2 789**

Statement XV (concluded)

United Nations Integrated Mission in Timor-Leste (UNMIT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	2009
Assets		
Cash and term deposits	1 109	1 647
Cash pool[e]	39 366	28 662
Assessed contributions receivable from Member States[b]	12 059	11 257
Accounts receivable from Member States	46	38
Other accounts receivable	1 793	539
Inter-fund balances receivable	183	—
Deferred charges	110	27
Other assets	—	2
Total assets	**54 666**	**42 172**
Liabilities		
Contributions or payments received in advance	7 879	35
Unliquidated obligations — current period	17 345	15 867
Unliquidated obligations — prior periods	433	426
Accounts payable to Member States	9 523	15 892
Other accounts payable	1 691	1 349
Inter-fund balances payable	—	1 817
Deferred credits	—	8
End-of-service liabilities[f]	7 533	3 989
Total liabilities	**44 404**	**39 383**
Reserves and fund balances		
Cumulative surplus	17 795	6 778
Deficit — end-of-service liabilities	(7 533)	(3 989)
Total reserves and fund balances	**10 262**	**2 789**
Total liabilities and reserves and fund balances	**54 666**	**42 172**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/276, the total assessment on Member States was reduced by $6,779,000, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $4,226,098, short-term investments of $12,347,972 (market value $12,412,081), long-term investments of $22,631,293 (market value $22,824,327) and accrued interest receivable of $160,766.

[f] Represents accrued liabilities for unused vacation days of $2,962,033 and for repatriation benefits of $4,571,694. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 15.1

United Nations Integrated Mission in Timor-Leste (UNMIT)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	64 055	3 120	67 175	61 200	2 410	63 610	3 565
Civilian personnel	77 743	820	78 563	75 301	1 566	76 867	1 696
Operational requirements	64 142	(3 940)	60 202	37 273	13 369	50 642	9 560
Subtotal	**205 940**	**—**	**205 940**	**173 774**	**17 345**	**191 119**	**14 821**
Prorated costs							
United Nations Logistics Base	1 522	—	1 522	1 522	—	1 522	—
Support account for peacekeeping operations	7 550	—	7 550	7 550	—	7 550	—
Subtotal	**9 072**	**—**	**9 072**	**9 072**	**—**	**9 072**	**—**
Total	**215 012**	**—**	**215 012**	**182 846**	**17 345**	**200 191**	**14 821**

[a] In accordance with General Assembly resolution 63/292.

Statement XVI

United Nations Mission in the Central African Republic and Chad (MINURCAT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	721 167	454 755
Interest income	4 200	2 644
Other/miscellaneous income	3 401	4 371
Total income	**728 768**	**461 770**
Total expenditure (schedule 17.1)	**571 220**	**438 032**
Excess (shortfall) of income over expenditure	**157 548**	**23 738**
Non-budgeted accrued expenses for end-of-service liabilities[c]	(6 053)	(3 199)
Prior-period adjustments	—	(1)
Net excess (shortfall) of income over expenditure	151 495	20 538
Cancellation of prior-period obligations	5 866	7 533
Credits returned to Member States[d]	(31 271)	(18 647)
Reserves and fund balances, beginning of period	26 924	17 500
Reserves and fund balances, end of period	**153 014**	**26 924**

Statement XVI (concluded)

United Nations Mission in the Central African Republic and Chad (MINURCAT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	5 230	2 399
Cash pool[e]	223 333	98 259
Assessed contributions receivable from Member States[b]	79 424	136 078
Accounts receivable from Member States	2	—
Other accounts receivable	2 587	3 317
Deferred charges	299	133
Other assets	—	5
Total assets	**310 875**	**240 191**
Liabilities		
Contributions or payments received in advance	3 384	147
Unliquidated obligations — current period	100 298	156 564
Unliquidated obligations — prior periods	15 971	—
Accounts payable to Member States	6 418	15 512
Other accounts payable	19 583	11 827
Inter-fund balances payable	1 799	24 862
End-of-service liabilities[f]	10 408	4 355
Total liabilities	**157 861**	**213 267**
Reserves and fund balances		
Cumulative surplus	163 422	31 279
Deficit — end-of-service liabilities	(10 408)	(4 355)
Total reserves and fund balances	**153 014**	**26 924**
Total liabilities and reserves and fund balances	**310 875**	**240 191**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net increase in accrued end-of-service liabilities during the current period.

[d] Under the terms of General Assembly resolution 64/286, the total assessment on Member States was reduced by $31,270,900, comprising unencumbered balance and other income for the period ended 30 June 2009.

[e] Represents share of the cash pool and comprises cash and term deposits of $23,975,653, short-term investments of $70,052,962 (market value $70,416,666), long-term investments of $128,392,668 (market value $128,487,794) and accrued interest receivable of $912,061.

[f] Represents accrued liabilities for unused vacation days of $5,370,075 and for repatriation benefits of $5,038,377. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 16.1

United Nations Mission in the Central African Republic and Chad (MINURCAT)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	194 177	478	194 655	122 252	37 968	160 220	34 435
Civilian personnel	88 111	23 662	111 773	96 909	1 359	98 268	13 505
Operational requirements	408 465	(24 140)	384 325	221 347	60 971	282 318	102 007
Subtotal	**690 753**	—	**690 753**	**440 508**	**100 298**	**540 806**	**149 947**
Prorated costs							
United Nations Logistics Base	5 102	—	5 102	5 102	—	5 102	—
Support account for peacekeeping operations	25 312	—	25 312	25 312	—	25 312	—
Subtotal	**30 414**	—	**30 414**	**30 414**	—	**30 414**	—
Total	**721 167**	—	**721 167**	**470 922**	**100 298**	**571 220**	**149 947**

[a] In accordance with General Assembly resolution 63/274 B.

Statement XVII

African Union-United Nations Hybrid Operation in Darfur (UNAMID)[a]

Statement of income and expenditure and reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b,c]	1 730 045	1 369 255
Interest income	13 047	19 585
Other/miscellaneous income	6 283	28 084
Total income	**1 749 375**	**1 416 924**
Total expenditure (schedule 18.1)	**1 618 311**	**1 560 824**
Excess (shortfall) of income over expenditure	**131 064**	**(143 900)**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(14 850)	(6 167)
Net excess (shortfall) of income over expenditure	**116 214**	**(150 067)**
Cancellation of prior-period obligations	105 558	83 253
Credits returned to Member States	—	(225 443)
Reserves and fund balances, beginning of period	(70 721)	221 536
Reserves and fund balances, end of period	**151 051**	**(70 721)**

Statement XVII (concluded)

African Union-United Nations Hybrid Operation in Darfur (UNAMID)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	3 881	6 923
Cash pool[a]	567 883	543 900
Assessed contributions receivable from Member States[b]	120 588	126 113
Accounts receivable from Member States	6	5
Other accounts receivable	6 740	3 778
Deferred charges	561	700
Other assets	9	29
Total assets	**699 668**	**681 448**
Liabilities		
Contributions or payments received in advance	47 881	5 564
Unliquidated obligations — current period	327 679	537 029
Unliquidated obligations — prior period	38 464	10 503
Accounts payable to Member States	24 603	119 451
Other accounts payable	80 717	58 991
Inter-fund balances payable	4 349	10 555
Deferred credits	—	2
End-of-service liabilities[c]	24 924	10 074
Total liabilities	**548 617**	**752 169**
Reserves and fund balances		
Cumulative surplus (deficit)	175 975	(60 647)
Deficit — end-of-service liabilities	(24 924)	(10 074)
Total reserves and fund balances	**151 051**	**(70 721)**
Total liabilities and reserves and fund balances	**699 668**	**681 448**

(Footnotes on following page)

(Footnotes to Statement XVII)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Comprises $1,669,397,800 for the period from 1 July 2009 to 30 June 2010, in accordance with General Assembly resolution 63/258 B, and an additional assessment of $60,646,900 for the period from 1 July 2008 to 30 June 2009, in accordance with General Assembly resolution 64/285.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Represents share of the cash pool and comprises cash and term deposits of $60,964,368, short-term investments of $178,127,980 (market value $179,052,790), long-term investments of $326,471,941 (market value $329,256,586) and accrued interest receivable of $2,319,153.

[f] Represents accrued liabilities for unused vacation days of $11,508,588 and for repatriation benefits of $13,414,970. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 17.1

African Union-United Nations Hybrid Operation in Darfur (UNAMID)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	739 434	(65 672)	673 762	573 734	81 814	655 548	18 214
Civilian personnel	241 616	28 798	270 414	261 251	4 035	265 286	5 128
Operational requirements	617 892	36 874	654 766	385 191	241 830	627 021	27 745
Subtotal	**1 598 942**	**—**	**1 598 942**	**1 220 176**	**327 679**	**1 547 855**	**51 087**
Prorated costs							
United Nations Logistics Base	11 820	—	11 820	11 820	—	11 820	—
Support account for peacekeeping operations	58 636	—	58 636	58 636	—	58 636	—
Subtotal	**70 456**	**—**	**70 456**	**70 456**	**—**	**70 456**	**—**
Total	**1 669 398**	**—**	**1 669 398**	**1 290 632**	**327 679**	**1 618 311**	**51 087**

[a] In accordance with General Assembly resolution 63/258 B.

Statement XVIII

Support for the African Union Mission in Somalia[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Assessed contributions[b]	219 682	77 791
Voluntary contributions[c]	871	—
Interest income	1 912	41
Other/miscellaneous income	350	4
Total income	**222 815**	**77 836**
Total expenditure (schedule 18.1)	**171 252**	**72 043**
Excess (shortfall) of income over expenditure	**51 563**	**5 793**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(1 882)	(641)
Net excess (shortfall) of income over expenditure	**49 681**	**5 152**
Cancellation of prior-period obligations	2 895	77
Credits returned to Member States[e]	(3 733)	—
Reserves and fund balances, beginning of period	3 020	(2 209)
Reserves and fund balances, end of period	**51 863**	**3 020**

Statement XVIII (concluded)

Support for the African Union Mission in Somalia

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1 022	43
Cash pool[f]	104 089	12 690
Assessed contributions receivable from Member States[b]	18 341	57 391
Accounts receivable from Member States		
Other accounts receivable	3 723	133
Deferred charges	199	18
Other assets	—	73
Total assets	**127 374**	**70 348**
Liabilities		
Contributions or payments received in advance	2 982	—
Unliquidated obligations — current period	64 942	42 270
Unliquidated obligations — prior period	396	—
Accounts payable to Member States	9	—
Other accounts payable	1 923	2 864
Inter-fund balances payable	2 664	21 481
End-of-service liabilities[g]	2 595	713
Total liabilities	**75 511**	**67 328**
Reserves and fund balances		
Cumulative surplus (deficit)	54 458	3 733
Deficit — end-of-service liabilities	(2 595)	(713)
Total reserves and fund balances	**51 863**	**3 020**
Total liabilities and reserves and fund balances	**127 374**	**70 348**

(Footnotes on following page)

(Footnotes to Statement XVIII)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents voluntary contributions in kind received from Algeria for support for troop rotations, for which budgetary provisions were made.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Under the terms of General Assembly resolution 64/107, the total assessment on Member States was reduced by $3,721,100, comprising unencumbered balance and other income in respect of the period ended 30 June 2009. In addition, under the terms of General Assembly resolution 64/287, the total assessment on Member States was reduced by $11,700, comprising unencumbered balance and other income in respect of the period ended 30 June 2008.

[f] Represents share of the cash pool and comprises cash and term deposits of $11,174,285, short-term investments of $32,649,445 (market value $32,818,955), long-term investments of $59,839,716 (market value $60,350,119) and accrued interest receivable of $425,082.

[g] Represents accrued liabilities for unused vacation days of $1,258,481 and for repatriation benefits of $1,336,301.

The accompanying notes are an integral part of the financial statements.

Schedule 18.1

Support for the African Union Mission in Somalia

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Military and police personnel	40 504	(1 731)	38 773	19 872	2 703	22 575	16 198
Civilian personnel	22 233	—	22 233	16 297	41	16 338	5 895
Operational requirements	150 843	1 731	152 574	63 168	62 198	125 366	27 208
Subtotal	**213 580**	**—**	**213 580**	**99 337**	**64 942**	**164 279**	**49 301**
Prorated costs							
United Nations Logistics Base	1 024	—	1 024	1 024	—	1 024	—
Support account for peacekeeping operations	5 078	—	5 078	5 078	—	5 078	—
Subtotal	**6 102**	**—**	**6 102**	**6 102**	**—**	**6 102**	**—**
Voluntary contributions in kind (budgeted)	1 059	—	1 059	871	—	871	188
Total[b]	**220 741**	**—**	**220 741**	**106 310**	**64 942**	**171 252**	**49 489**

[a] Represents $144,904,900 for the period from 1 July 2009 to 31 December 2009 in accordance with General Assembly resolution 63/275 B, which was increased to $219,682,400 for the period from 1 July 2009 to 30 June 2010 in accordance with Assembly resolution 64/107, and $1,059,000 for voluntary contributions in kind for which budgetary provision has been made.

[b] In addition, voluntary contributions in kind estimated at $2,152,200 were received from Algeria and $1,320,900 from the United States of America for support for troop rotations, for which budgetary provisions has not been made.

Statement XIX

Peacekeeping Reserve Fund[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Interest income	3 377	4 305
Total income	**3 377**	**4 305**
Total expenditure	**1**	**1**
Net excess (shortfall) of income over expenditure	**3 376**	**4 304**
Transfer to other funds[b]	(7 323)	(470)
Reserves and fund balances, beginning of period	161 626	157 792
Reserves and fund balances, end of period	**157 679**	**161 626**

Statement XIX (concluded)

Peacekeeping Reserve Fund

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	46	19
Cash pool[c]	144 805	148 779
Assessed contributions receivable from Member States[d]	8	8
Due from the United Nations Mission in the Central African Republic and Chad	12 820	12 820
Total assets	**157 679**	**161 626**
Reserves and fund balances		
Working capital funds	150 000	150 000
Cumulative surplus[e]	7 679	11 626
Total reserves and fund balances	**157 679**	**161 626**
Total liabilities and reserves and fund balances	**157 679**	**161 626**

[a] See notes 2 and 3.

[b] Under the terms of General Assembly resolution 63/287, the excess balance in the Peacekeeping Reserve Fund of $7,322,600 for the period ending 30 June 2008 was applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2009 to 30 June 2010.

[c] Represents share of the cash pool and comprises cash and term deposits of $15,545,377, short-term investments of $45,421,067 (market value $45,656,885), long-term investments of $83,247,471 (market value $83,957,531) and accrued interest receivable of $591,363.

[d] Contributions assessed on Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 establishing the Peacekeeping Reserve Fund.

[e] Under the terms of General Assembly resolution 64/271, the excess balance of $4,303,500 in the Peacekeeping Reserve Fund for the period ending 30 June 2009 will be applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2010 to 30 June 2011.

The accompanying notes are an integral part of the financial statements.

Statement XX

Support account for peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income		
Allocation from other funds[b]	278 975	273 923
Interest income	2 161	2 383
Other/miscellaneous income	1 359	1 380
Total income	**282 495**	**277 686**
Total expenditure (schedule 21.1)	**318 476**	**271 964**
Excess (shortfall) of income over expenditure[c]	**(35 981)**	**5 722**
Non-budgeted accrued expenses for end-of-service liabilities[d]	(606)	(4 530)
Net excess (shortfall) of income over expenditure	**(36 587)**	**1 192**
Cancellation of prior-period obligations	2 528	3 332
Reserves and fund balances, beginning of period	(4 950)	(9 474)
Reserves and fund balances, end of period	**(39 009)**	**(4 950)**

Statement XX (concluded)

Support account for peacekeeping operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1	2
Cash pool[c]	26 154	58 174
Accounts receivable from Member States	5	5
Other accounts receivable	2 675	1 710
Deferred charges	2 486	2 238
Total assets	**31 321**	**62 129**
Liabilities		
Unliquidated obligations — current period	23 164	20 470
Unliquidated obligations — prior period	7	7
Other accounts payable	7 451	7 625
Inter-fund balances payable	10 042	9 917
End-of-service liabilities[f]	29 666	29 060
Total liabilities	**70 330**	**67 079**
Reserves and fund balances		
Cumulative surplus (deficit)	(9 343)	24 110
Deficit — end-of-service liabilities	(29 666)	(29 060)
Total reserves and fund balances	**(39 009)**	**(4 950)**
Total liabilities and reserves and fund balances	**31 321**	**62 129**

(Footnotes on following page)

(Footnotes to Statement XX)

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[a] See notes 2 and 3.

[b] Under the terms of General Assembly resolution 63/287, the following amounts were allocated from other funds to meet the resources required for the support account for the period from 1 July 2009 to 30 June 2010:

(i) An amount of $271,589,200 prorated among the active peacekeeping missions for the period of 1 July 2009 to 30 June 2010;

(ii) An amount of $7,322,600 from the Peacekeeping Reserve Fund, comprising the excess of the authorized level for the period ended 30 June 2008;

(iii) An amount of $62,800 from the active peacekeeping missions, representing the excess of the appropriation for the support account requirements in respect of the period ended 30 June 2007.

[c] Shortfall of income over expenditure reflected, inter alia, the following:

(i) Expenditures in the current period, which shall be financed in a future period. In accordance with General Assembly resolution 64/243, commitments of $28,516,500 were entered into for the enterprise resources planning system in the period ended 30 June 2010. The expenditures of the commitments will be reported in the 2009/10 budget performance report, at which time financing will be requested;

(ii) Use of brought-forward reserves and fund balances to finance current-period expenditures. In accordance with General Assembly resolution 63/287, an amount of $15,056,300, representing the unencumbered balance and other income for the period ended 30 June 2008, was applied to the resources required for the period from 1 July 2009 to 30 June 2010.

[d] Represents net increase in accrued end-of-service liabilities during the current period.

[e] Represents share of the cash pool and comprises cash and term deposits of $2,807,796, short-term investments of $8,203,922, (market value $8,246,516), long-term investments of $15,036,102 (market value $15,164,352) and accrued interest receivable of $106,812.

[f] Represents accrued liabilities for unused vacation days of $15,631,677 and for repatriation benefits of $14,034,551. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 20.1

Support account for peacekeeping operations

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment* *(2)*	*Revised distribution* *(3)*	*Disbursements* *(4)*	*Unliquidated obligations* *(5)*	*Total expenditure* *(6)*	*Balance* *(3-6)*
Civilian personnel	203 307	1 175	204 482	203 533	899	204 432	50
Operational requirements	119 240	(1 175)	118 065	91 779	22 265	114 044	4 021
Total	**322 547**	**—**	**322 547**	**295 312**	**23 164**	**318 476**	**4 071**

[a] Represents $294,030,900 authorized by the General Assembly in its resolution 63/287 and commitments of $28,516,500 authorized by the Assembly in its resolution 64/243.

Statement XXI

United Nations Logistics Base at Brindisi, Italy (UNLB)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Strategic deployment stock activities	*Other UNLB activities*	*Total 2010*	*Total 2009*
Income				
Allocation from other funds	371 81[b]	54 744[c]	91 925	96 223
Interest income	—	2 037	2 037	2 905
Other/miscellaneous income	6	290	296	1 930
Total income	**37 187**	**57 071**	**94 258**	**101 058**
Total expenditure (schedule 22.1)	**66 693**	**57 931**	**124 624**	**113 277**
Excess (shortfall) of income over expenditure	**(29 506)**	**(860)**[d]	**(30 366)**	**(12 219)**
Non-budgeted accrued expenses for end-of-service liabilities[e]	—	(581)	(581)	(256)
Net excess (shortfall) of income over expenditure	**(29 506)**	**(1 441)**	**(30 947)**	**(12 475)**
Cancellation of prior-period obligations	405	210	615	492
Reserves and fund balances, beginning of period	70 157	6 257	764 14	88 397
Reserves and fund balances, end of period	**41 056**[f]	**5 026**	**46 082**	**76 414**

Statement XXI (concluded)

United Nations Logistics Base at Brindisi, Italy (UNLB)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1 720	1 471
Cash pool[g]	62 284	68 208
Assessed contributions receivable from Member States[h]	13 573	13 573
Accounts receivable from Member States	2	—
Other accounts receivable	1 596	6 573
Inter-fund balances receivable	32 718	46 354
Deferred charges	127	211
Other assets	—	48
Total assets	**112 020**	**136 438**
Liabilities		
Unliquidated obligations — current period	52 931	46 340
Other accounts payable	9 479	10 737
End-of-service liabilities[i]	3 528	2 947
Total liabilities	**65 938**	**60 024**
Reserves and fund balances		
Cumulative surplus — strategic deployment stock activities	41 056	70 157
Cumulative surplus — other UNLB activities	8 554	9 204
Deficit — end-of-service liabilities	(3 528)	(2 947)
Total reserves and fund balances	**46 082**	**76 414**
Total liabilities and reserves and fund balances	**112 020**	**136 438**

(Footnotes on following page)

(Footnotes to Statement XXI)

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[a] See notes 2 and 3.

[b] Represents funding provided by peacekeeping and political missions, and by other offices, for transfer of strategic deployment stocks at replacement values.

[c] In accordance with General Assembly resolution 63/286, part of the cost estimates amounting to $54,744,300 are allocated on a prorated basis among the individual active peacekeeping missions.

[d] Under the terms of General Assembly resolution 63/286, an amount of $3,209,800 in respect of the unencumbered balance and other income for the period ended 30 June 2008 is applied to meet the resources required for the period from 1 July 2009 to 30 June 2010. This amount is therefore sufficient to cover the shortfall of income over expenditure.

[e] Represents net increase in accrued end-of-service liabilities during the current period.

[f] See note 11.

[g] Represents share of the cash pool and comprises cash and term deposits of $6,686,454 short-term investments of $19,536,733 (market value $19,638,164), long-term investments of $35,806,811 (market value $36,112,226) and accrued interest receivable of $254,360.

[h] Includes unpaid assessed contributions irrespective of collectability.

[i] Represents accrued end-of-service liabilities for unused vacation days of $2,040,515 and for repatriation benefits of $1,487,768. See note 14.

The accompanying notes are an integral part of the financial statements.

Schedule 21.1

United Nations Logistics Base at Brindisi, Italy (UNLB)

Expenditure for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution[a] *(1)*	*Redeployment (2)*	*Revised distribution (3)*	*Disbursements (4)*	*Unliquidated obligations (5)*	*Total expenditure (6)*	*Balance (3-6)*
Strategic deployment stock activities							
Replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions, and other entities	107 338	—	107 338	26 529	40 164	**66 693**	40 645
Subtotal	**107 338**	—	**107 338**	**26 529**	**40 164**	**66 693**	**40 645**
Other UNLB activities							
Civilian personnel	26 269	1 622	27 891	27 782	101	27 883	8
Operational requirements	31 685	(1 622)	30 063	17 382	12 666	30 048	15
Subtotal	**57 954**	—	**57 954**	**45 164**	**12 767**	**57 931**	**23**
Total	**165 292**	—	**165 292**	**71 693**	**52 931**	**124 624**	**40 668**

[a] Appropriations do not apply to strategic deployment stock activities. Instead, funding for strategic deployment stocks is based on current-period transfers to peacekeeping and political missions and other offices of $37,180,499 and fund balances brought forward from the preceding period of $70,157,299. Appropriations for other UNLB activities were authorized under General Assembly resolution 63/286.

Statement XXII

After-service health insurance for peacekeeping operations[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2009 to 30 June 2010 as at 30 June 2010

(Thousands of United States dollars)

	Period	
	1 July 2009 to 30 June 2010	*1 July 2008 to 30 June 2009*
Income	—	—
Total income	—	—
Total expenditure	—	—
Excess (shortfall) of income over expenditure	—	—
Non-budgeted accrued expenses for post-retirement liabilities[b]	63 732	(42 440)
Net excess (shortfall) of income over expenditure	**63 732**	**(42 440)**
Reserves and fund balances, beginning of period	(452 332)	(409 892)
Reserves and fund balances, end of period	**(388 600)**	**(452 332)**

Statement XXII (concluded)

After-service health insurance for peacekeeping operations

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets	—	—
Total assets	—	—
Liabilities		
Post-retirement liabilities[c]	388 600	452 332
Total liabilities	**388 600**	**452 332**
Reserves and fund balances		
Deficit — end-of-service liabilities	(388 600)	(452 332)
Total reserves and fund balances	**(388 600)**	**(452 332)**
Total liabilities and reserves and fund balances	—	—

[a] See notes 2 and 3.

[b] Represents net decrease in accrued after-service health insurance liabilities during the current period.

[c] See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXIII

United Nations Mission in Ethiopia and Eritrea (UNMEE)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 31 July 2000 to 31 July 2008 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	31 July 2000 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 530 833	—	41 659
Interest income	18 307	431	318
Other/miscellaneous income	4 448	1 158	1 169
Total income	**1 553 588**	**1 589**	**43 146**
Total expenditure	**1 406 498**	**—**	**35 648**
Excess (shortfall) of income over expenditure	**147 090**	**1 589**	**7 498**
Non-budgeted accrued expenses for end-of-service liabilities[c]	1 895	149	1 930
Prior-period adjustments	(123)	(39)	(12)
Net excess (shortfall) of income over expenditure	**148 862**	**1 699**	**9 416**
Cancellation of prior-period obligations	60 601	1 421	1 875
Credits returned to Member States[d]	(183 469)	(16 495)	(2 875)
Other adjustments to reserves and fund balances	(2 074)	—	—
Reserves and fund balances, beginning of period	—	23 920	15 504
Reserves and fund balances, end of period	**23 920**	**10 545**	**23 920**

Statement XXIII (concluded)

United Nations Mission in Ethiopia and Eritrea (UNMEE)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits[e]	179	458
Cash pool[f]	19 845	14 684
Assessed contributions receivable from Member States[b]	2 638	13 549
Accounts receivable from Member States	—	669
Other accounts receivable	150	524
Other assets	—	3
Total assets	**22 812**	**29 887**
Liabilities		
Contributions or payments received in advance	189	171
Unliquidated obligations — current period	—	1 876
Unliquidated obligations — prior period	153	507
Accounts payable to Member States	11 610	1 915
Other accounts payable	121	524
Inter-fund balances payable	164	87
Deferred credits	—	703
Other liabilities	—	5
End-of-service liabilities[g]	30	179
Total liabilities	**12 267**	**5 967**
Reserves and fund balances		
Cumulative surplus	10 575	24 099
Deficit — end-of-service liabilities	(30)	(179)
Total reserves and fund balances	**10 545**	**23 920**
Total liabilities and reserves and fund balances	**22 812**	**29 887**

(Footnotes on following page)

(Footnotes to Statement XXIII)

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[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents decrease in accrued end-of-service liabilities.

[d] Under the terms of General Assembly resolution 64/277, the net cash available as at 30 April 2010 in the amount of $16,495,400 was returned to Member States.

[e] Includes non-convertible Eritrean nakfa equivalent to $57,250 and non-convertible Ethiopian birr equivalent to $87,768.

[f] Represents share of the cash pool and comprises cash and term deposits of $2,130,478, short-term investments of $6,224,911 (market value $6,257,230), long-term investments of $11,408,982 (market value $11,506,295) and accrued interest receivable of $81,046.

[g] Represents accrued liabilities for unused vacation days of $7,270 and for repatriation benefits of $22,429. See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXIV

United Nations Operation in Burundi (ONUB)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 21 April 2004 to 31 December 2006 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	21 April 2004 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	819 080	—	—
Interest income	16 241	1 460	2 144
Other/miscellaneous income	1 581	—	121
Total income	**836 902**	**1 460**	**2 265**
Total expenditure	**720 257**	**—**	**—**
Excess (shortfall) of income over expenditure	**116 645**	**1 460**	**2 265**
Non-budgeted accrued expenses for end-of-service liabilities[c]	928	3	55
Prior-period adjustments[d]	(1 776)	(309)	(765)
Net excess (shortfall) of income over expenditure	**115 797**	**1 154**	**1 555**
Cancellation of prior-period obligations	35 607	155	245
Credits returned to Member States[e]	(140 854)	(9 523)	—
Other adjustments to reserves and fund balances	(932)	—	—
Reserves and fund balances, beginning of period	—	9 618	7 818
Reserves and fund balances, end of period	**9 618**	**1 404**	**9 618**

Statement XXIV (concluded)

United Nations Operation in Burundi (ONUB)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	41	15
Cash pool[f]	43 033	65 973
Assessed contributions receivable from Member States[b]	884	1 026
Accounts receivable from Member States	15	15
Other accounts receivable	90	116
Inter-fund balances receivable	—	72
Total assets	**44 063**	**67 217**
Liabilities		
Contributions or payments received in advance	5 689	9 120
Unliquidated obligations — prior period	—	409
Accounts payable to Member States	36 952	48 023
Other accounts payable	15	42
Inter-fund balances payable	2	—
Deferred credits	—	1
End-of-service liabilities[g]	1	4
Total liabilities	**42 659**	**57 599**
Reserves and fund balances		
Cumulative surplus	1 405	9 622
Deficit — end-of-service liabilities	(1)	(4)
Total reserves and fund balances	**1 404**	**9 618**
Total liabilities and reserves and fund balances	**44 063**	**67 217**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents net decrease in the accrued end-of-service liabilities during the current period.

[d] Represents prior-period expenditures for self-sustainment cost for troops of $267,676, civilian personnel costs of $22,467, miscellaneous operational costs of $17,785 and bank charges of $1,255.

[e] Under the terms of the General Assembly resolution 64/272 of 24 June 2010, net cash available as at 30 April 2010 in the amount of $9,523,300 was returned to Member States.

[f] Represents share of the cash pool and comprises cash and term deposits of $4,619,742, short-term investments of $13,498,135 (market value $13,568,215), long-term investments of $24,739,304 (market value $24,950,319) and accrued interest receivable of $175,740.

[g] Represents accrued liabilities for unused vacation days of $660. See note 14.

The accompanying notes are an integral part of the financial statements.

Statement XXV

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 13 July 1998 to 31 December 2005 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	13 July 1998 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	3 057 562	—	—
Voluntary contributions	3 391	—	—
Interest income	71 533	1 527	3 116
Other/miscellaneous income	12 493	130	326
Total income	**3 144 979**	**1 657**	**3 442**
Total expenditure	**2 915 326**	**—**	**—**
Excess (shortfall) of income over expenditure	**229 653**	**1 657**	**3 442**
Non-budgeted accrued expenses for end-of-service liabilities	51	—	—
Prior-period adjustments[c]	(4 843)	(81)	(3 412)
Net excess (shortfall) of income over expenditure	**224 861**	**1 576**	**30**
Cancellation of prior-period obligations	217 376	24	427
Credits returned to Member States	(434 965)	—	(15 633)
Other adjustments to reserves and fund balances	(51)	—	—
Reserves and fund balances, beginning of period	—	7 221	22 397
Reserves and fund balances, end of period	**7 221**	**8 821**	**7 221**

Statement XXV (concluded)

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	4	1 147
Cash pool[d]	55 037	70 860
Assessed contributions receivable from Member States[b]	790	2 071
Accounts receivable from Member States	11	11
Other accounts receivable	438	443
Total assets	**56 280**	**74 532**
Liabilities		
Contributions or payments received in advance	45	147
Unliquidated obligations — prior periods	—	24
Accounts payable to Member States	47 337	66 995
Other accounts payable	65	127
Inter-fund balances payable	12	15
Deferred credits	—	3
Total liabilities	**47 459**	**67 311**
Reserves and fund balances		
Cumulative surplus	8 821	7 221
Total reserves and fund balances	**8 821**	**7 221**
Total liabilities and reserves and fund balances	**56 280**	**74 532**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period expenditures for repatriation and other travel of military personnel of $67,531, civilian personnel costs of $11,651 and bank charges of $1,266.

[d] Represents share of the cash pool and comprises cash and term deposits of $5,908,418, short-term investments of $17,263,437 (market value $17,353,066), long-term investments of $31,640,329 (market value $31,910,206) and accrued interest receivable of $224,763.

The accompanying notes are an integral part of the financial statements.

Statement XXVI

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 December 1999 to 20 May 2005 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 December 1999 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 999 127	—	—
Voluntary contributions	300	—	—
Interest income	26 746	327	375
Other income	9 588	—	27
Total income	**2 035 761**	**327**	**402**
Total expenditure	**1 884 556**	**—**	**—**
Excess (shortfall) of income over expenditure	**151 205**	**327**	**402**
Non-budgeted accrued expenses for end-of-service liabilities	23	—	—
Prior-period adjustments[c]	(696)	(114)	(388)
Net excess (shortfall) of income over expenditure	**150 532**	**213**	**14**
Cancellation of prior-period obligations	82 812	—	—
Credits returned to Member States	(197 443)	—	—
Other adjustments to reserves and fund balances	(23)	—	—
Reserves and fund balances, beginning of period	—	35 878	35 864
Reserves and fund balances, end of period	**35 878**	**36 091**	**35 878**

Statement XXVI (concluded)

United Nations Transitional Administration in East Timor (UNTAET)/United Nations Mission of Support in East Timor (UNMISET)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	48	50
Cash pool[d]	7 665	15 687
Assessed contributions receivable from Member States[b]	28 875	29 107
Accounts receivable from Member States	337	337
Total assets	**36 925**	**45 181**
Liabilities		
Contributions or payments received in advance	26	1 873
Accounts payable to Member States	808	7 380
Inter-fund balances payable	—	50
Total liabilities	**834**	**9 303**
Reserves and fund balances		
Cumulative surplus	36 091	35 878
Total reserves and fund balances	**36 091**	**35 878**
Total liabilities and reserves and fund balances	**36 925**	**45 181**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents prior-period expenditures for compensation in respect of a deceased military observer of $87,777, staff costs of $25,363 and bank charges of $1,202.

[d] Represents share of the cash pool and comprises cash and term deposits of $822,820, short-term investments of $2,404,147 (market value $2,416,629), long-term investments of $4,406,306 (market value $4,443,890) and accrued interest receivable of $31,301.

The accompanying notes are an integral part of the financial statements.

Statement XXVII

United Nations Iraq-Kuwait Observation Mission (UNIKOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	9 April 1991 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	373 899	—	—
Voluntary contributions	339 827	—	—
Interest income	26 052	107	168
Other/miscellaneous income	7 254	—	175
Total income	**747 032**	**107**	**343**
Total expenditure	**647 152**	**—**	**—**
Excess (shortfall) of income over expenditure	**99 880**	**107**	**343**
Prior-period adjustments	(682)	(1)	(62)
Net excess (shortfall) of income over expenditure	**99 198**	**106**	**281**
Cancellation of prior-period obligations	23 512	—	—
Credits returned to Member States[c]	(119 397)	(292)	(997)
Reserves and fund balances, beginning of period	—	3 313	4 029
Reserves and fund balances, end of period	**3 313**	**3 127**	**3 313**

Statement XXVII (concluded)

United Nations Iraq-Kuwait Observation Mission (UNIKOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	10	34
Cash pool[d]	4 257	5 820
Assessed contributions receivable from Member States[b]	526	526
Total assets	**4 793**	**6 380**
Liabilities		
Contributions or payments received in advance	19	21
Accounts payable to Member States	1 647	3 023
Inter-fund balances payable	—	23
Total liabilities	**1 666**	**3 067**
Reserves and fund balances		
Cumulative surplus	3 127	3 313
Total reserves and fund balances	**3 127**	**3 313**
Total liabilities and reserves and fund balances	**4 793**	**6 380**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Under the terms of General Assembly decision 64/558, two thirds of the cash balance available as at 30 June 2009 in the amount of $291,900 was returned to Kuwait.

[d] Represents net share of the cash pool and comprises cash and term deposits of $457,041, short-term investments of $1,335,401 (market value $1,342,334), long-term investments of $2,447,515 (market value $2,468,391) and accrued interest receivable of $17,386.

The accompanying notes are an integral part of the financial statements.

Statement XXVIII

United Nations Mission in Bosnia and Herzegovina (UNMIBH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 127 149	—	—
Voluntary contributions	158	—	—
Interest income	20 760	376	609
Other/miscellaneous income	20 312	—	76
Total income	**1 168 379**	**376**	**685**
Total expenditure	**986 685**	**—**	**—**
Excess (shortfall) of income over expenditure	**181 694**	**376**	**685**
Prior-period adjustments	(1 071)	(31)	(102)
Net excess (shortfall) of income over expenditure	**180 623**	**345**	**583**
Cancellation of prior-period obligations	26 305	—	—
Credits returned to Member States	(156 864)	—	—
Reserves and fund balances, beginning of period	—	50 064	49 481
Reserves and fund balances, end of period	**50 064**	**50 409**	**50 064**

Statement XXVIII (concluded)

United Nations Mission in Bosnia and Herzegovina (UNMIBH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	9	49
Cash pool[c]	16 350	15 924
Assessed contributions receivable from Member States[b]	34 049	34 107
Accounts receivable from Member States	1	1
Total assets	**50 409**	**50 081**
Liabilities		
Contributions or payments received in advance	—	17
Total liabilities	**—**	**17**
Reserves and fund balances		
Authorized retained surplus[d]	7 182	7 182
Cumulative surplus	43 227	42 882
Total reserves and fund balances	**50 409**	**50 064**
Total liabilities and reserves and fund balances	**50 409**	**50 081**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,755,154, short-term investments of $5,128,274 (market value $5,154,899), long-term investments of $9,399,071 (market value $9,479,240) and accrued interest receivable of $66,768.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXIX

United Nations Mission of Observers in Tajikistan (UNMOT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 16 December 1994 to 15 May 2000 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	16 December 1994 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	72 145	—	—
Voluntary contributions	2 057	—	—
Interest income	4 505	94	157
Other/miscellaneous income	796	—	—
Total income	**79 503**	**94**	**157**
Total expenditure	**59 414**	**—**	**—**
Excess (shortfall) of income over expenditure	**20 089**	**94**	**157**
Prior-period adjustments	(1 006)	(1)	(8)
Net excess (shortfall) of income over expenditure	**19 083**	**93**	**149**
Cancellation of prior-period obligations	4 601	—	—
Credits returned to Member States	(20 556)	—	—
Reserves and fund balances, beginning of period	—	3 128	2 979
Reserves and fund balances, end of period	**3 128**	**3 221**	**3 128**

Statement XXIX (concluded)

United Nations Mission of Observers in Tajikistan (UNMOT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	9	8
Cash pool[c]	4 104	4 010
Assessed contributions receivable from Member States[b]	2	4
Total assets	**4 115**	**4 022**
Liabilities		
Accounts payable to Member States	894	894
Total liabilities	**894**	**894**
Reserves and fund balances		
Cumulative surplus	3 221	3 128
Total reserves and fund balances	**3 221**	**3 128**
Total liabilities and reserves and fund balances	**4 115**	**4 022**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $440,620, short-term investments of $1,287,419 (market value $1,294,103), long-term investments of $2,359,574 (market value $2,379,700) and accrued interest receivable of $16,762.

The accompanying notes are an integral part of the financial statements.

Statement XXX

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 1996 to 15 March 2000 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 July 1996 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	133 035	—	—
Voluntary contributions	4 766	—	—
Interest income	3 764	4	5
Other/miscellaneous income	3 943	—	—
Total income	**145 508**	**4**	**5**
Total expenditure	**123 566**	**—**	**—**
Excess (shortfall) of income over expenditure	**21 942**	**4**	**5**
Prior-period adjustments	(293)	(1)	(18)
Net excess (shortfall) of income over expenditure	**21 649**	**3**	**(13)**
Cancellation of prior-period obligations	4 630	—	—
Credits returned to Member States	(14 127)	—	—
Reserves and fund balances, beginning of period	—	12 152	12 165
Reserves and fund balances, end of period	**12 152**	**12 155**	**12 152**

Statement XXX (concluded)

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	17	14
Cash pool[c]	180	176
Assessed contributions receivable from Member States[b]	19 395	19 400
Accounts receivable from Member States	43	43
Total assets	**19 635**	**19 633**
Liabilities		
Contributions or payments received in advance	—	1
Accounts payable to Member States	114	114
Due to United Nations Mission in Haiti	7 366	7 366
Total liabilities	**7 480**	**7 481**
Reserves and fund balances		
Authorized retained surplus[d]	11 186	11 186
Cumulative surplus	969	966
Total reserves and fund balances	**12 155**	**12 152**
Total liabilities and reserves and fund balances	**19 635**	**19 633**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $19,305, short-term investments of $56,405 (market value $56,698), long-term investments of $103,380 (market value $104,261) and accrued interest receivable of $734.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXI

United Nations Mission in the Central African Republic (MINURCA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 April 1998 to 15 February 2000 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	15 April 1998 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	123 075	—	—
Voluntary contributions	4 527	—	—
Interest income	990	1	1
Other/miscellaneous income	765	—	—
Total income	**129 357**	**1**	**1**
Total expenditure	**121 423**	**—**	**—**
Excess (shortfall) of income over expenditure	**7 934**	**1**	**1**
Prior-period adjustments	(163)	(1)	(11)
Net excess (shortfall) of income over expenditure	**7 771**	**—**	**(10)**
Cancellation of prior-period obligations	10 237	—	—
Credits returned to Member States	(6 284)	—	—
Reserves and fund balances, beginning of period	—	11 724	11 734
Reserves and fund balances, end of period	**11 724**	**11 724**	**11 724**

Statement XXXI (concluded)

United Nations Mission in the Central African Republic (MINURCA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	1	2
Cash pool[c]	26	25
Assessed contributions receivable from Member States[b]	35 546	35 550
Total assets	**35 573**	**35 577**
Liabilities		
Accounts payable to Member States	7 480	7 480
Inter-fund balances payable	99	103
Due to Peacekeeping Reserve Fund	12 820	12 820
Due to United Nations Mission in Haiti	3 200	3 200
Due to United Nations Peace Forces	250	250
Total liabilities	**23 849**	**23 853**
Reserves and fund balances		
Authorized retained surplus[d]	6 236	6 236
Cumulative surplus	5 488	5 488
Total reserves and fund balances	**11 724**	**11 724**
Total liabilities and reserves and fund balances	**35 573**	**35 577**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $2,754, short-term investments of $8,046 (market value $8,087), long-term investments of $14,746 (market value $14,872) and accrued interest receivable of $105.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXII

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 3 January 1989 to 26 February 1999 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	3 January 1989 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 267 792	—	—
Interest income	42 342	574	710
Other/miscellaneous income	31 415	130	—
Total income	**1 341 549**	**704**	**710**
Total expenditure	**1 205 792**	—	—
Excess (shortfall) of income over expenditure	**135 757**	**704**	**710**
Prior-period adjustments	(24 955)	(3)	(305)
Net excess (shortfall) of income over expenditure	**110 802**	**701**	**405**
Cancellation of prior-period obligations	52 699	—	—
Credits returned to Member States	(95 681)	—	—
Reserves and fund balances, beginning of period	—	67 820	67 415
Reserves and fund balances, end of period	**67 820**	**68 521**	**67 820**

Statement XXXII (concluded)

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	16	44
Cash pool[c]	25 129	24 305
Assessed contributions receivable from Member States[b]	34 913	35 008
Accounts receivable from Member States	8 032	8 032
Other accounts receivable	432	432
Total assets	**68 522**	**67 821**
Liabilities		
Accounts payable to Member States	1	1
Total liabilities	**1**	**1**
Reserves and fund balances		
Cumulative surplus	68 521	67 820
Total reserves and fund balances	**68 521**	**67 820**
Total liabilities and reserves and fund balances	**68 522**	**67 821**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $2,697,641, short-term investments of $7,882,068 (market value $7,922,990), long-term investments of $14,446,209 (market value $14,569,428) and accrued interest receivable of $102,621.

The accompanying notes are an integral part of the financial statements.

Statement XXXIII

United Nations Preventive Deployment Force (UNPREDEP)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 15 October 1999 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	166 563	—	—
Voluntary contributions	2	—	—
Interest income	22 029	321	528
Other/miscellaneous income	3 984	—	—
Total income	**192 578**	**321**	**528**
Total expenditure	**152 276**	—	—
Excess (shortfall) of income over expenditure	**40 302**	**321**	**528**
Prior-period adjustments	(260)	(1)	(24)
Net excess (shortfall) of income over expenditure	**40 042**	**320**	**504**
Cancellation of prior-period obligations	10 788	—	—
Credits returned to Member States	(38 489)	—	—
Reserves and fund balances, beginning of period	—	12 341	11 837
Reserves and fund balances, end of period	**12 341**	**12 661**	**12 341**

Statement XXXIII (concluded)

United Nations Preventive Deployment Force (UNPREDEP)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	30	28
Cash pool[c]	13 979	13 658
Assessed contributions receivable from Member States[b]	1 240	1 243
Total assets	**15 249**	**14 929**
Liabilities		
Accounts payable to Member States	2 588	2 588
Total liabilities	**2 588**	**2 588**
Reserves and fund balances		
Cumulative surplus	12 661	12 341
Total reserves and fund balances	**12 661**	**12 341**
Total liabilities and reserves and fund balances	**15 249**	**14 929**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,500,697, short-term investments of $4,384,793 (market value $4,407,557), long-term investments of $8,036,422 (market value $8,104,969) and accrued interest receivable of $57,088.

The accompanying notes are an integral part of the financial statements.

Statement XXXIV

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 January 1996 to 30 November 1998 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	15 January 1996 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	517 546	—	—
Voluntary contributions	298	—	—
Interest income	33 224	346	660
Other/miscellaneous income	4 168	132	—
Total income	**555 236**	**478**	**660**
Total expenditure	**461 345**	—	—
Excess (shortfall) of income over expenditure	**93 891**	**478**	**660**
Prior-period adjustments	(3 959)	(1)	(85)
Net excess (shortfall) of income over expenditure	**89 932**	**477**	**575**
Cancellation of prior-period obligations	32 771	—	—
Credits returned to Member States	(99 234)	—	—
Reserves and fund balances, beginning of period	—	23 469	22 894
Reserves and fund balances, end of period	**23 469**	**23 946**	**23 469**

Statement XXXIV (concluded)

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	44	12
Cash pool[c]	15 160	14 714
Assessed contributions receivable from Member States[b]	8 742	8 743
Total assets	**23 946**	**23 469**
Reserves and fund balances		
Cumulative surplus	23 946	23 469
Total reserves and fund balances	**23 946**	**23 469**
Total liabilities and reserves and fund balances	**23 946**	**23 469**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,627,530, short-term investments of $4,755,378 (market value $4,780,067), long-term investments of $8,715,630 (market value $8,789,970) and accrued interest receivable $61,913.

The accompanying notes are an integral part of the financial statements.

Statement XXXV

United Nations Observer Mission in Liberia (UNOMIL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 September 1993 to 30 June 1998 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	22 September 1993 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	141 984	—	—
Interest income	6 039	139	234
Other/miscellaneous income	1 237	33	—
Total income	**149 260**	**172**	**234**
Total expenditure	**97 401**	—	—
Excess (shortfall) of income over expenditure	**51 859**	**172**	**234**
Prior-period adjustments	(810)	(1)	(23)
Net excess (shortfall) of income over expenditure	**51 049**	**171**	**211**
Cancellation of prior-period obligations	5 302	—	—
Credits returned to Member States	(51 329)	—	—
Reserves and fund balances, beginning of period	—	5 022	4 811
Reserves and fund balances, end of period	**5 022**	**5 193**	**5 022**

Statement XXXV (concluded)

United Nations Observer Mission in Liberia (UNOMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	33	41
Cash pool[c]	6 036	5 867
Assessed contributions receivable from Member States[b]	8	8
Inter-fund balances receivable	—	8
Total assets	**6 077**	**5 924**
Liabilities		
Contributions or payments received in advance	1	19
Accounts payable to Member States	883	883
Total liabilities	**884**	**902**
Reserves and fund balances		
Cumulative surplus	5 193	5 022
Total reserves and fund balances	**5 193**	**5 022**
Total liabilities and reserves and fund balances	**6 077**	**5 924**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $647,989, short-term investments of $1,893,320 (market value $1,903,150), long-term investments of $3,470,066 (market value $3,499,664) and accrued interest receivable of $24,650.

The accompanying notes are an integral part of the financial statements.

Statement XXXVI

United Nations Peace Forces (UNPF)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 12 January 1992 to 30 June 1997 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	12 January 1992 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	5 082 587	—	—
Voluntary contributions	37 360	—	—
Interest income	76 015	2 189	2 469
Other/miscellaneous income	91 759	17	—
Total income	**5 287 721**	**2 206**	**2 469**
Total expenditure	**4 867 418**	—	—
Excess (shortfall) of income over expenditure	**420 303**	**2 206**	**2 469**
Prior-period adjustments	(2 612)	(1)	(1 363)
Net excess (shortfall) of income over expenditure	**417 691**	**2 205**	**1 106**
Cancellation of prior-period obligations	275 263	—	—
Credits returned to Member States[c]	(325 455)	(1)	(3)
Transfer to other funds	(118 003)	—	—
Reserves and fund balances, beginning of period	—	249 496	248 393
Reserves and fund balances, end of period	**249 496**	**251 700**	**249 496**

Statement XXXVI (concluded)

United Nations Peace Forces (UNPF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	34	23
Cash pool[d]	100 631	92 192
Assessed contributions receivable from Member States[b]	142 219	142 399
Accounts receivable from Member States[e]	127 380	127 380
Inter-fund balances receivable	—	65
Due from United Nations Mission in the Central African Republic and Chad	250	250
Due from United Nations Mission for the Referendum in Western Sahara	12 000	16 000
Due from United Nations Observer Mission in Georgia	—	2 000
Total assets	**382 514**	**380 309**
Liabilities		
Accounts payable to Member States	3 434	3 433
Deferred credits[c]	127 380	127 380
Total liabilities	**130 814**	**130 813**
Reserves and fund balances		
Surplus to be transferred[f]	29 634	29 635
Cumulative surplus	222 066	219 861
Total reserves and fund balances	**251 700**	**249 496**
Total liabilities and reserves and fund balances	**382 514**	**380 309**

[a] See notes 2 and 3.

[b] Includes assessed contributions unpaid irrespective of collectability.

[c] Represents credits returned to Member States upon the settlement of the separate assessment for strategic deployment of socks. See note 10.

[d] Represents share of the cash pool and comprises cash and term deposits of $10,803,116, short-term investments of $31,564,951 (market value $31,728,831), long-term investments of $57,852,062 (market value $58,345,511) and accrued interest receivable of $410,963.

[e] In accordance with General Assembly resolution 51/12 A, represents expenditures totaling $127,379,954 which are reimbursable by Member States, as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits.

[f] Under the terms of General Assembly resolution 56/292, $29,634,404 will be returned to a Member State once its assessment for strategic deployment stocks is settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXVII

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 February 1997 to 31 May 1997 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	15 February 1997 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	4 000	—	—
Interest income	48	—	—
Other/miscellaneous income	83	—	—
Total income	**4 131**	—	—
Total expenditure	**3 946**	—	—
Excess (shortfall) of income over expenditure	**185**	—	—
Prior-period adjustments	(11)	—	(1)
Net excess (shortfall) of income over expenditure	**174**	—	**(1)**
Cancellation of prior-period obligations	138	—	—
Credits returned to Member States	(292)	—	—
Reserves and fund balances, beginning of period	—	20	21
Reserves and fund balances, end of period	**20**	**20**	**20**

Statement XXXVII (concluded)

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Assessed contributions receivable from Member States[b]	145	145
Total assets	**145**	**145**
Liabilities		
Inter-fund balances payable	125	125
Total liabilities	**125**	**125**
Reserves and fund balances		
Authorized retained surplus[c]	18	18
Cumulative surplus	2	2
Total reserves and fund balances	**20**	**20**
Total liabilities and reserves and fund balances	**145**	**145**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XXXVIII

United Nations Mission in Haiti (UNMIH)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	23 September 1993 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	357 541	—	—
Voluntary contributions	1	—	—
Interest income	42 409	1 234	1 556
Other/miscellaneous income	3 022	36	—
Total income	**402 973**	**1 270**	**1 556**
Total expenditure	**306 156**	—	—
Excess (shortfall) of income over expenditure	**96 817**	**1 270**	**1 556**
Prior-period adjustments	(1 849)	(1)	(58)
Net excess (shortfall) of income over expenditure	**94 968**	**1 269**	**1 498**
Cancellation of prior-period obligations	34 801	—	—
Credits returned to Member States[c]	(54 766)	—	(1)
Transfer to other funds	(25 815)	—	—
Other adjustments to reserves and fund balances	22	—	—
Reserves and fund balances, beginning of period	—	49 210	47 713
Reserves and fund balances, end of period	**49 210**	**50 479**	**49 210**

Statement XXXVIII (concluded)

United Nations Mission in Haiti (UNMIH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	24	36
Cash pool[d]	53 768	52 483
Assessed contributions receivable from Member States[b]	24	27
Accounts receivable from Member States	1	1
Due from United Nations Civilian Police Mission in Haiti	7 366	7 366
Due from United Nations Mission in the Central African Republic and Chad	3 200	3 200
Total assets	**64 383**	**63 113**
Liabilities		
Accounts payable to Member States	13 904	13 903
Total liabilities	**13 904**	**13 903**
Reserves and fund balances		
Surplus to be transferred[e]	14 110	14 111
Cumulative surplus	36 369	35 099
Total reserves and fund balances	**50 479**	**49 210**
Total liabilities and reserves and fund balances	**64 383**	**63 113**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents credits returned to Member States upon the settlement of the separate assessment for strategic deployment of stocks. See note 10.

[d] Represents share of the cash pool and comprises cash and term deposits of $5,772,156, short-term investments of $16,865,301 (market value $16,952,863), long-term investments of $30,910,627 (market value $31,174,279) and accrued interest receivable of $219,579.

[e] Under the terms of General Assembly resolution 56/292, $14,109,949 will be returned to a Member State once its assessment for strategic deployment stocks is settled. See note 10.

The accompanying notes are an integral part of the financial statements.

Statement XXXIX

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 22 June 1993 to 19 April 1996 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	22 June 1993 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	512 318	—	—
Voluntary contributions	477	—	—
Interest income	25 117	621	876
Other/miscellaneous income	6 984	15	—
Total income	**544 896**	**636**	**876**
Total expenditure	**435 657**	—	—
Excess (shortfall) of income over expenditure	**109 239**	**636**	**876**
Prior-period adjustments	(27 183)	(1)	(118)
Net excess (shortfall) of income over expenditure	**82 056**	**635**	**758**
Cancellation of prior-period obligations	20 919	—	—
Credits returned to Member States	(37 111)	—	—
Transfer to other funds	(38 068)	—	—
Reserves and fund balances, beginning of period	—	27 796	27 038
Reserves and fund balances, end of period	**27 796**	**28 431**	**27 796**

Statement XXXIX (concluded)

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	3	38
Cash pool[c]	27 089	26 417
Assessed contributions receivable from Member States[b]	1 339	1 341
Total assets	**28 431**	**27 796**
Reserves and fund balances		
Cumulative surplus	28 431	27 796
Total reserves and fund balances	**28 431**	**27 796**
Total liabilities and reserves and fund balances	**28 431**	**27 796**

[a] In accordance with Security Council resolution 846 (1993), the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $2,908,052, short-term investments of $8,496,855 (market value $8,540,969), long-term investments of $15,572,986 (market value $15,705,816) and accrued interest of $110,626.

The accompanying notes are an integral part of the financial statements.

Statement XL

United Nations Observer Mission in El Salvador (ONUSAL)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 7 November 1989 to 31 May 1995 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	7 November 1989 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	238 987	—	—
Voluntary contributions	1 641	—	—
Interest income	5 409	152	190
Other/miscellaneous income	2 612	—	—
Total income	**248 649**	**152**	**190**
Total expenditure	**199 484**	—	—
Excess (shortfall) of income over expenditure	**49 165**	**152**	**190**
Prior-period adjustments	(1 091)	(1)	(50)
Net excess (shortfall) of income over expenditure	**48 074**	**151**	**140**
Cancellation of prior-period obligations	5 176	—	—
Credits returned to Member States	(48 868)	—	—
Transfer to Peacekeeping Reserve Fund	(258)	—	—
Reserves and fund balances, beginning of period	—	4 124	3 984
Reserves and fund balances, end of period	**4 124**	**4 275**	**4 124**

Statement XL (concluded)

United Nations Observer Mission in El Salvador (ONUSAL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	7	8
Cash pool[c]	6 628	6 476
Assessed contributions receivable from Member States[b]	317	317
Total assets	**6 952**	**6 801**
Liabilities		
Accounts payable to Member States	2 677	2 677
Total liabilities	**2 677**	**2 677**
Reserves and fund balances		
Cumulative surplus	4 275	4 124
Total reserves and fund balances	**4 275**	**4 124**
Total liabilities and reserves and fund balances	**6 952**	**6 801**

[a] In accordance with General Assembly resolution 47/223, the operations of the United Nations Observer Group in Central America (ONUCA) have been incorporated into ONUSAL. See also notes 2 and 3.

[b] Include unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $711,589, short-term investments of $2,079,147 (market value $2,089,941), long-term investments of $3,810,648 (market value $3,843,151) and accrued interest receivable of $27,070.

The accompanying notes are an integral part of the financial statements.

Statement XLI

United Nations Operation in Mozambique (ONUMOZ)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	15 October 1992 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	561 098	—	—
Interest income	8 204	21	25
Other/miscellaneous income	4 334	—	—
Total income	**573 636**	**21**	**25**
Total expenditure	**492 556**	**—**	**—**
Excess (shortfall) of income over expenditure	**81 080**	**21**	**25**
Prior-period adjustments	(9 749)	(1)	(180)
Net excess (shortfall) of income over expenditure	**71 331**	**20**	**(155)**
Cancellation of prior-period obligations	24 501	—	—
Credits returned to Member States	(78 242)	—	—
Reserves and fund balances, beginning of period	—	17 590	17 745
Reserves and fund balances, end of period	**17 590**	**17 610**	**17 590**

Statement XLI (concluded)

United Nations Operation in Mozambique (ONUMOZ)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	22	23
Cash pool[c]	906	885
Assessed contributions receivable from Member States[b]	16 713	16 713
Total assets	**17 641**	**17 621**
Liabilities		
Accounts payable to Member States	31	31
Total liabilities	**31**	**31**
Reserves and fund balances		
Authorized retained surplus[d]	17 208	17 208
Cumulative surplus	402	382
Total reserves and fund balances	**17 610**	**17 590**
Total liabilities and reserves and fund balances	**17 641**	**17 621**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $97,250, short-term investments of $284,149 (market value $285,624), long-term investments of $520,786 (market value $525,228) and accrued interest receivable of $3,700.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLII

United Nations Operation in Somalia (UNOSOM)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 May 1992 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 738 202	—	—
Interest income	10 007	2	33
Other/miscellaneous income	7 076	—	—
Total income	**1 755 285**	**2**	**33**
Total expenditure	**1 668 175**	—	—
Excess (shortfall) of income over expenditure	**87 110**	**2**	**33**
Prior-period adjustments	(9 678)	(1)	(549)
Net excess (shortfall) of income over expenditure	**77 432**	**1**	**(516)**
Cancellation of prior-period obligations	48 789	—	—
Credits returned to Member States	(83 930)	—	—
Transfer to other funds	103	—	—
Reserves and fund balances, beginning of period	—	42 394	42 910
Reserves and fund balances, end of period	**42 394**	**42 395**	**42 394**

Statement XLII (concluded)

United Nations Operation in Somalia (UNOSOM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	19	19
Cash pool[c]	90	88
Assessed contributions receivable from Member States[b]	57 846	57 853
Total assets	**57 955**	**57 960**
Liabilities		
Accounts payable to Member States	15 560	15 560
Inter-fund balances payable	—	6
Total liabilities	**15 560**	**15 566**
Reserves and fund balances		
Authorized retained surplus[d]	37 563	37 563
Cumulative surplus	4 832	4 831
Total reserves and fund balances	**42 395**	**42 394**
Total liabilities and reserves and fund balances	**57 955**	**57 960**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $9,675, short-term investments of $28,270 (market value $28,417), long-term investments of $51,813 (market value $52,255) and accrued interest receivable of $368.

[d] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLIII

United Nations Military Liaison Team in Cambodia (UNMLT)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 November 1993 to 15 November 1994 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	15 November 1993 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	910	—	—
Interest income	136	6	7
Other/miscellaneous income	91	—	—
Total income	**1 137**	**6**	**7**
Total expenditure	**587**	**—**	**—**
Excess (shortfall) of income over expenditure	**550**	**6**	**7**
Prior-period adjustments	(13)	(1)	(1)
Net excess (shortfall) of income over expenditure	**537**	**5**	**6**
Cancellation of prior-period obligations	5	—	—
Credits returned to Member States	(375)	—	—
Reserves and fund balances, beginning of period	—	167	161
Reserves and fund balances, end of period	**167**	**172**	**167**

Statement XLIII (concluded)

United Nations Military Liaison Team in Cambodia (UNMLT)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	32	33
Cash pool[c]	247	241
Total assets	**279**	**274**
Liabilities		
Accounts payable to Member States	107	107
Total liabilities	**107**	**107**
Reserves and fund balances		
Cumulative surplus	172	167
Total reserves and fund balances	**172**	**167**
Total liabilities and reserves and fund balances	**279**	**274**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $26,497, short-term investments of $77,420 (market value $77,822), long-term investments of $141,895 (market value $143,106) and accrued interest receivable of $1,008.

The accompanying notes are an integral part of the financial statements.

Statement XLIV

United Nations Transitional Authority in Cambodia (UNTAC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 November 1991 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	1 599 916	—	—
Voluntary contributions	9 493	—	—
Interest income	7 601	1	11
Other/miscellaneous income	6 556	—	122
Total income	**1 623 566**	**1**	**133**
Total expenditure	**1 640 831**	**—**	**—**
Excess (shortfall) of income over expenditure	**(17 265)**	**1**	**133**
Prior-period adjustments[c]	(1 884)	(99)	(795)
Net excess (shortfall) of income over expenditure	**(19 149)**	**(98)**	**(662)**
Cancellation of prior-period obligations	28 435	—	—
Credits returned to Member States	(8 743)	—	—
Reserves and fund balances, beginning of period	—	543	1 205
Reserves and fund balances, end of period	**543**	**445**	**543**

Statement XLIV (concluded)

United Nations Transitional Authority in Cambodia (UNTAC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	27	23
Cash pool[d]	31	30
Assessed contributions receivable from Member States[b]	40 484	40 490
Total assets	**40 542**	**40 543**
Liabilities		
Accounts payable to Member States	40 097	40 000
Total liabilities	**40 097**	**40 000**
Reserves and fund balances		
Authorized retained surplus[e]	818	818
Cumulative surplus (deficit)	(373)	(275)
Total reserves and fund balances	**445**	**543**
Total liabilities and reserves and fund balances	**40 542**	**40 543**

[a] The special account for the United Nations Advance Mission in Cambodia (UNAMIC) has been consolidated into the special account for the United Nations Transitional Authority in Cambodia (UNTAC). See also notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange of $98,173 owing to the revaluation of an account payable to a Member State and bank charges of $1,117.

[d] Represents share of the cash pool and comprises cash and term deposits of $3,358, short-term investments of $9,812 (market value $9,863), long-term investments of $17,983 (market value $18,136) and accrued interest receivable of $128.

[e] See note 9.

The accompanying notes are an integral part of the financial statements.

Statement XLV

United Nations Transition Assistance Group (UNTAG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	1 April 1998 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	416 162	—	—
Voluntary contributions	23 736	—	—
Interest income	50 241	414	517
Other/miscellaneous income	13 387	—	—
Total income	**503 526**	**414**	**517**
Total expenditure	**374 185**	—	—
Excess (shortfall) of income over expenditure	**129 341**	**414**	**517**
Prior-period adjustments	(586)	(1)	(1)
Net excess (shortfall) of income over expenditure	**128 755**	**413**	**516**
Cancellation of prior-period obligations	32 016	—	—
Credits returned to Member States	(105 880)	—	—
Transfer to United Nations Peacekeeping Reserve fund	(49 243)	—	—
Reserves and fund balances, beginning of period	—	5 648	5 132
Reserves and fund balances, end of period	**5 648**	**6 061**	**5 648**

Statement XLV (concluded)

United Nations Transition Assistance Group (UNTAG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Cash and term deposits	48	49
Cash pool[c]	18 022	17 608
Assessed contributions receivable from Member States[b]	20	21
Total assets	**18 090**	**17 678**
Liabilities		
Accounts payable to Member States	12 029	12 030
Total liabilities	**12 029**	**12 030**
Reserves and fund balances		
Cumulative surplus	6 061	5 648
Total reserves and fund balances	**6 061**	**5 648**
Total liabilities and reserves and fund balances	**18 090**	**17 678**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $1,934,725, short-term investments of $5,652,953 (market value $5,682,303), long-term investments of $10,360,701 (market value $10,449,072) and accrued interest receivable of $73,599.

The accompanying notes are an integral part of the financial statements.

Statement XLVI

United Nations Iran-Iraq Military Observer Group (UNIIMOG)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 9 August 1988 to 31 March 1991 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	9 August 1988 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	199 113	—	—
Voluntary contributions	14 715	—	—
Interest income	13 535	119	148
Other/miscellaneous income	12 054	—	—
Total income	**239 417**	**119**	**148**
Total expenditure	**177 895**	**—**	**—**
Excess (shortfall) of income over expenditure	**61 522**	**119**	**148**
Prior-period adjustments	220	(1)	(1)
Net excess (shortfall) of income over expenditure	**61 742**	**118**	**147**
Cancellation of prior-period obligations	4 997	—	—
Credits returned to Member States	(43 484)	—	—
Transfer to Peacekeeping Reserve Fund	(18 156)	—	—
Reserves and fund balances, beginning of period	—	5 099	4 952
Reserves and fund balances, end of period	**5 099**	**5 217**	**5 099**

Statement XLVI (concluded)

United Nations Iran-Iraq Military Observer Group (UNIIMOG)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	2009
Assets		
Cash and term deposits	42	43
Cash pool[c]	5 159	5 040
Assessed contributions receivable from Member States[b]	16	16
Total assets	**5 217**	**5 099**
Reserves and fund balances		
Cumulative surplus	5 217	5 099
Total reserves and fund balances	**5 217**	**5 099**
Total liabilities and reserves and fund balances	**5 217**	**5 099**

[a] See notes 2 and 3.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents share of the cash pool and comprises cash and term deposits of $553,804, short-term investments of $1,618,125 (market value $1,626,526), long-term investments of $2,965,690 (market value $2,990,985) and accrued interest receivable of $21,067.

The accompanying notes are an integral part of the financial statements.

Statement XLVII

Special Account for the United Nations Emergency Force (UNEF) 1956[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 5 November 1956 to 30 June 1967 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	5 November 1956 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	166 375	—	—
Voluntary contributions	28 086	—	—
Proceeds from sale of United Nations bonds	19 207	—	—
Appropriated from United Nations Special Account	3 911	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	3 038	597	3 746
Total income	**220 617**	**597**	**3 746**
Total expenditure	**215 540**	—	—
Net excess (shortfall) of income over expenditure	**5 077**	**597**	**3 746**
Reserves and fund balances, beginning of period	—	5 077	1 331
Reserves and fund balances, end of period	**5 077**	**5 674**	**5 077**

Statement XLVII (concluded)

Special Account for the United Nations Emergency Force (UNEF) 1956

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Unpaid assessed contributions[b]	42 627	42 627
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorized expenditures over assessments and applied voluntary contributions	876	876
Inter-fund balances receivable	81	81
Total assets	**48 859**	**48 859**
Liabilities		
Accounts payable to Member States	21 642	22 239
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements[d]	10 415	10 415
Due to United Nations Special Account	1 932	1 932
Due to United Nations bond account	8 117	8 117
Total liabilities	**43 185**	**43 782**
Reserves and fund balances		
Cumulative surplus	5 674	5 077
Total reserves and fund balances	**5 674**	**5 077**
Total liabilities and reserves and fund balances	**48 859**	**48 859**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents gain on exchange from the revaluation of accounts payable expressed in local currency.

[d] For 1965, $3,550,000 pursuant to section II of General Assembly resolution 2115 (XX); for 1966, $3,550,000 pursuant to section III of the resolution; for 1967, $3,315,000 pursuant to resolution 2194 B (XXI).

The accompanying notes are an integral part of the financial statements.

Statement XLVIII

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)[a]

Statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2010

(Thousands of United States dollars)

	Period		
	14 July 1960 to 30 June 2009	*1 July 2009 to 30 June 2010*	*1 July 2008 to 30 June 2009*
Income			
Assessed contributions[b]	241 549	—	—
Voluntary contributions	36 193	—	—
Proceeds from the sale of United Nations bonds	110 726	—	—
Investment income	89	—	—
Miscellaneous, and savings in liquidating obligations and adjustments[c]	45 556	(46)	359
Total income	**434 113**	**(46)**	**359**
Total expenditure	**397 437**	**—**	**—**
Net excess (shortfall) of income over expenditure	**36 676**	**(46)**	**359**
Reserves and fund balances, beginning of period	—	36 676	36 317
Reserves and fund balances, end of period	**36 676**	**36 630**	**36 676**

Statement XLVIII (concluded)

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2010

(Thousands of United States dollars)

	2010	*2009*
Assets		
Unpaid assessed contributions[b]	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	6 687	6 687
Excess of authorized expenditures over assessments and applied voluntary contributions[d]	1 973	1 973
Inter-fund balances receivable	914	914
Total assets	**83 466**	**83 466**
Liabilities		
Accounts payable to Member States	7 093	7 047
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations — to the credit of contributing Member States	1 560	1 560
Due to United Nations Special Account	1 397	1 397
Due to United Nations bond account	35 931	35 931
Total liabilities	**46 836**	**46 790**
Reserves and fund balances		
Cumulative surplus	36 630	36 676
Total reserves and fund balances	**36 630**	**36 676**
Total liabilities and reserves and fund balances	**83 466**	**83 466**

[a] See notes 2, 3 and 4.

[b] Includes unpaid assessed contributions irrespective of collectability.

[c] Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

[d] For 1961, $268,455; for the second half of 1963, $1,118,712; for the first half of 1964, $585,899.

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements for peacekeeping operations for the period from 1 July 2009 to 30 June 2010

Note 1
The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development programmes;

(iii) The universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs, and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2
Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations, and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the United Nations system accounting standards, as adopted by the United Nations System Chief Executives Board for Coordination. The Organization follows international accounting standard 1, "Presentation of financial statements", on the disclosure of accounting policies, as modified and adopted by the Chief Executives Board as follows:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The Organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) The financial period for peacekeeping operations is one year from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium and consists of two consecutive calendar years;

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (j) (ii) below applies;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rates of exchange for the last month of the financial period, a footnote will be provided quantifying the difference;

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(g) The cash flow statement is based on the indirect method of determining cash flow, as referred to in the United Nations system accounting standards;

(h) The Organization's financial statements are presented in accordance with the ongoing recommendations of the Task Force on Accounting Standards to the High-level Committee on Management of the Chief Executives Board;

(i) The results of the Organization's operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a combined basis after the elimination of all inter-fund and other balances and instances of double counting of income and expenditure. Their presentation on a combined basis does not imply that the various separate funds can be intermingled in any way, since, normally, resources may not be utilized between funds;

(j) Income:

(i) Amounts necessary to finance the activities of peacekeeping operations are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the United Nations treaty bodies, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements;

(v) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vi) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(vii) Interest income includes all interest earned on deposits in various bank accounts and investment income earned on the cash pool. All realized losses and net unrealized losses on short-term investments in the cash pool are offset against investment income. Investment income and costs associated with operation of investments in the cash pool are allocated to participating funds;

(viii) Miscellaneous income includes income from the rental of premises, the sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency exchange adjustments except for those arising from revaluation of current period obligations, as stated in paragraph (k) (i) below, settlements of insurance claims, amounts assessed on new Member States for the year of admission to the United Nations, amounts assessed on non-Member States, as stated in paragraph (j) (iii) above, monies accepted for which no purpose was specified, and other sundry income;

(ix) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred credits, as referred to in paragraph (m) (iii) below;

(k) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements. Expenditures also include currency exchange adjustments arising from revaluation of current-period obligations;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when the property is acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges, as referred to in paragraph (l) (v) below;

(l) Assets:

(i) Cash and term deposits represent funds in demand deposit accounts and interest-bearing bank deposits;

(ii) The cash pool comprises participating funds' share of the cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the cash pool. The investments in the cash pool are similar in nature. Short-term investments are stated at cost or market value, whichever is lower; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The share in the cash pool is reported separately in each participating fund's statement, and its composition and the market value of its investments are disclosed in the footnotes to the individual statements;

(iii) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in the collection of such assessments;

(iv) Inter-fund balances reflect transactions between funds and are included in the amounts due to and from the United Nations General Fund. Inter-fund balances also reflect transactions directly with the United Nations General Fund. Inter-fund balances are settled periodically, depending upon the availability of cash resources;

(v) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vi) For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances are settled;

(vii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in the notes to the financial statements;

(m) Liabilities and reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred credits include income received for future periods and income received but not yet earned;

(iv) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to peacekeeping operations remain valid for 12 months following the end of the financial period to which they relate. In accordance with financial regulation 5.5, unliquidated obligations of peacekeeping operations owed to Governments may be retained for an additional period of four years beyond the 12-month period provided for in financial regulation 5.3;

(v) Accrued liabilities for the end-of-service and post-retirement benefits, comprising those for unused vacation days, repatriation benefits and after-service health insurance, are recorded as liabilities and included in the statement of assets, liabilities and reserves and fund balances. As such liabilities are presently not funded, offsetting amounts are shown as deficits in the reserves and fund balances section of the statement of assets, liabilities and reserves and fund balances. See note 14;

(vi) Contingent liabilities, if any, are disclosed in notes to the financial statements;

(vii) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined-benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly, together with its share of any actuarial deficiency payments under article 26 of the Regulations of the

Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following a determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly had not invoked this provision.

Note 3
Accounting policies for peacekeeping operations

The accounts for the peacekeeping operations have been maintained in accordance with the provisions of the Financial Regulations and Rules of the United Nations, with due regard for the following:

(a) Financial regulation 1.2, which states that the financial period of peacekeeping operations with special accounts shall be one year, from 1 July to 30 June;

(b) Financial regulation 6.5, which states that the annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year;

(c) Financial regulation 5.5, which states that obligations to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the 12-month period provided for in financial regulation 5.3 if the requisite claims are not received or processed during the financial period to which they pertain. Those obligations shall remain valid for an additional period of four years following the end of the 12-month period provided for in financial regulation 5.3. At the end of the additional four-year period, any unliquidated obligations shall be cancelled and the remaining balance of any appropriations retained shall be surrendered;

(d) Voluntary contributions:

(i) Voluntary contributions in cash shall be considered income to be credited to the special account for the peacekeeping operation;

(ii) Voluntary contributions in kind in the form of supplies and services shall be recorded as income under the heading "Voluntary contributions" at the time of the delivery of supplies or the commencement of services, provided budgetary provision for such supplies or services has been made. In case there has been no budgetary provision, no accounting entry shall be made, but the amount of the contribution shall be reflected in a footnote to the financial statements. The cost of facilities and services provided under an agreement with a Member State in whose country a peacekeeping operation is located is excluded from the determination of voluntary contributions;

(e) Peacekeeping Reserve Fund:

By its resolution 47/217, the General Assembly established the Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The level of the Peacekeeping Reserve Fund was established at $150 million. In accordance with the aforementioned resolution, $49,242,762 was allocated from unencumbered balances in the special account for the United Nations

Transition Assistance Group, $18,156,200 from unencumbered balances in the special account for the United Nations Iran-Iraq Military Observer Group and $82,601,038 from authorized retained savings in the General Fund.

Note 4
Explanatory notes on assessed contributions receivable

Assessed contributions receivable have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. On the basis of United Nations policy as stated in note 2 (l) (iii) above, no provision has been made for delays in the collection of outstanding assessed contributions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the General Assembly), in particular with respect to the following:

(a) To the extent that the amounts relate to expenditures under the Special Account for UNEF 1956 and under the Ad Hoc Account for ONUC, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of UNEF 1956 (statement XLVII) and ONUC (statement XLVIII) are estimated to be $38.6 million and $70.2 million, respectively. The estimate, which is based on the apportioned shares of the Member States concerned, excludes $5.3 million and $6.7 million in unpaid assessed contributions to UNEF 1956 and ONUC, respectively, by China for the period up to 24 October 1971. Following the adoption by the General Assembly of its resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations", on 25 October 1971, that amount was transferred to a special account pursuant to Assembly resolution 3049 C (XXVII);

(b) Certain Member States have stated that they do not intend to participate in the financing of UNEF 1973 and UNDOF. As a result, withholding by certain Member States from payments for the financing of UNEF 1973 and UNDOF is estimated to be $0.1 million, which covers UNEF 1973 until its liquidation in 1979 and UNDOF to 30 June 2010. That amount excludes $36.0 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(c) Certain Member States have stated that they do not intend to participate in the financing of UNIFIL. As a result, withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be $3.4 million. That estimate, which is based on the apportioned shares of the Member States concerned from the inception of UNIFIL on 19 March 1978 to 30 June 2010, excludes $19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(d) The status of unpaid assessed contributions as at 30 June 2010:

Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 2010 and on all outstanding balances due from each Member State is shown in the report on the status of contributions (ST/ADM/SER.B/818). The report for 30 June 2010 may not reflect assessments or credits returned to Member States that were approved by the General Assembly in late June. However, the financial statements include such late-June transactions, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 2010. As a result, the amounts shown as contributions outstanding from Member States as at 30 June 2010 in the status-of-contributions report may be lower or higher than the corresponding amounts included in financial statements as at 30 June 2010.

Note 5

Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I), assets, liabilities and reserves and fund balances (statement II) and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are broken down into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any purpose other than that for which it is authorized. The financial results of all peacekeeping operations are summarized in statements I, II and III. These are categorized as all active peacekeeping missions (statements IV-XVIII), the Peacekeeping Reserve Fund (statement XIX), the support account for peacekeeping operations (statement XX), UNLB (statement XXI), after-service health insurance for peacekeeping operations (statement XXII) and completed peacekeeping operations (statements XXIII-XLVIII);

(b) To comply with the uniform financial statement formats, statement I contains two calculations of the excess (shortfall) of income relative to expenditure. The first calculation is based on income and expenditure only for the current period. The second calculation shown is a net one, which includes non-budgeted accrued expenses for end-of-service and post-retirement liabilities (see note 14), and any prior-period adjustments to income or expenditure.

Note 6

United Nations Peacekeeping Force in Cyprus (statement IV)

By its resolution 47/236, the General Assembly decided that, beginning on 16 June 1993, the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. Accordingly, from 16 June 1993 onwards, appropriations have been approved and assessments have been issued on the Member States in accordance with relevant General Assembly resolutions.

Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Member States for the financing of UNFICYP. The recording of expenditures for the period prior to 16 June 1993 was based on the total of pledged contributions. Obligations to be financed from such voluntary contributions for the period prior to 16 June 1993 totalled $200,421,530 and are reflected in footnote f/ to the UNFICYP financial statements (statement IV).

By its resolution 61/233 B, the General Assembly reconfirmed its previous resolution 47/236, in which it had decided that the costs of UNFICYP for the period beginning 16 June 1993 should be treated as expenses of the Organization to be borne by Member States.

Note 7
United Nations Emergency Force 1973 and United Nations Disengagement Observer Force (statement V)

The General Assembly has, on a number of occasions, authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNEF and UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of Assembly resolution 50/83, the authorized retained surplus of $64,931,001 was reduced proportionately by $15,321,728 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Under the terms of Assembly resolution 53/226, followed by its resolutions 54/266 and 55/264, the authorized retained surplus was further reduced by $13,622,162, leaving a balance of $35,987,111 as at 30 June 2010. This equals the amount held in the special account for unpaid assessed contributions pursuant to Assembly resolution 36/116 A (see note 4 (b)).

Note 8
United Nations Interim Force in Lebanon (statement VI)

The General Assembly has, on a number of occasions, authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of Assembly resolution 50/83, those authorized retained surpluses of $108,461,935 were reduced proportionately by a total of $25,583,986 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Subsequently, under the terms of resolution 58/307, the authorized retained surplus was further reduced by $63,312,709, representing the net accumulated surplus in the account of the Force from 1978 to 1993, leaving a balance of $19,565,240 as at 30 June 2010. This equals the amount held in the special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A (see note 4 (c)).

Note 9
Authorized retained surplus

The General Assembly decided, in its resolution 57/323, to suspend financial regulation 5.5 for certain missions in the light of the cash shortages in those missions. Those missions are the Military Observer Group of MINUGUA (statement XXXVII); ONUMOZ (statement XLI); UNOSOM (statement XLII); UNSMIH, UNTMIH and MIPONUH (statement XXX); UNTAC (statement XLIV); and MINURCA (statement XXXI). By its resolution 59/302, the Assembly postponed the return of the net cash balance available as at 30 June 2004 for UNMIBH (statement XXVIII).

Note 10
Surplus to be transferred for strategic deployment stocks

Under the terms of General Assembly resolution 56/292, amounts of $95,978,945 and $45,567,055 were authorized to be transferred from reserves and fund balances of UNPF (statement XXXVI) and UNMIH (statement XXXVIII), respectively, for strategic deployment stocks to be held in the UNLB account (statement XXI). Member States had the option either to transfer their share in the surpluses directly to UNLB or to have their shares returned to them upon settling a separate assessment for strategic deployment stocks. Some Member States opted to transfer their share in the surpluses directly to UNLB, and, accordingly, surpluses of $54,690,848 and $25,815,321 were transferred directly from UNPF and UNMIH, respectively. Some Member States opted to settle a separate assessment for strategic deployment stocks, and, accordingly, amounts of $11,653,693 and $5,641,785 from the surpluses of UNPF and UNMIH, respectively, were returned to those Member States. The remaining surpluses of $29,634,404 and $14,109,949 in UNPF and UNMIH, respectively, shall be returned to a Member State upon its settlement of the separate assessment for strategic deployment stocks. Currently, $13,572,722 remains outstanding from the Member State.

Note 11
Strategic deployment stocks

The General Assembly, in its resolution 56/292, authorized the purchase of strategic deployment stocks. In his report (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that received the stocks. In order to account for the replenishment of strategic deployment stocks, a separate revolving fund has been established where all such transactions are recorded. The cumulative surplus at the end of the financial period, which incorporates such items as cancellation of prior-period obligations and timing differences between the recording of allocations upon transfer and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial period.

Note 12
Ageing of assessed contributions receivable

Assessed contributions receivable from Member States have been outstanding for the periods indicated in table V.1. On the basis of United Nations policy, no provision is made for delays in collection.

Table V.1

Outstanding contributions receivable as at 30 June 2010

(Thousands of United States dollars)

Time outstanding	*2010*	*2009*
Less than six months	694 223	593 601
Six months to one year	73 667	279 486
One to two years	87 675	46 999
More than two years	599 825	590 068
Total	**1 455 390**	**1 510 154**

Note 13
Non-expendable property

(a) Table V.2 shows the value of non-expendable property, at historical cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 2010. In accordance with United Nations accounting policies, non-expendable property is not included in the assets of the Organization, but is charged against the current appropriations when acquired:

Table V.2

Value of non-expendable property as at 30 June 2010

(Thousands of United States dollars)

Peacekeeping mission	*2010*	*2009*
UNFICYP	16 233	15 677
UNDOF	35 350	34 382
UNIFIL	141 656	129 984
MINURSO	35 730	33 299
UNOMIG	—	22 466
UNMIK	44 563	80 865
MONUC	269 925	252 243
UNMEE	29 195	44 283
UNMIL	157 308	155 844
UNOCI	104 909	103 982
MINUSTAH	150 082	107 757
ONUB	147	267
UNMIS	305 902	301 823
UNMIT	51 098	50 258
MINURCAT	147 997	70 708
UNAMID	419 815	203 027
Support for the African Union Mission in Somalia	42 113	2 331

Peacekeeping mission	*2010*	*2009*
UNLB	79 039	73 691
UNLB — strategic deployment stocks[a]	91 023	94 784
Total[b]	**2 122 085**	**1 777 671**

[a] In addition to non-expendable property, overall strategic deployment stocks included expendable property of $9,937,700 as at 30 June 2010 ($9,041,268 as at 30 June 2009).

[b] Includes non-expendable property pending write-off and disposal of $131,112,189 as at 30 June 2010 ($157,125,394 as at 30 June 2009).

(b) The movement in non-expendable property is summarized in table V.3:

Table V.3

Movement in non-expendable property

(Thousands of United States dollars)

	2010	*2009*
Balance as at 1 July	1 777 671	1 561 938
Acquisitions	468 249	316 831
Less: write-offs — accidents, malfunctions, losses and other	(15 640)	(12 526)
Less: normal wear and tear, obsolescence, dispositions and other	(108 195)	(88 572)
Balance as at 30 June	**2 122 085**	**1 777 671**

Note 14
End-of-service and post-retirement benefits

(a) End-of-service and post-retirement benefits comprise those for after-service health insurance coverage, repatriation benefits and the commutation of unused vacation days;

(b) The accrued liabilities for after-service health insurance are shown as liabilities in the after-service health insurance for peacekeeping operations financial statement, statement XXII. The accrued liabilities for repatriation benefits and unused vacation days are shown as liabilities in the financial statements of the individual missions, the support account for peacekeeping operations, and UNLB, as applicable;

(c) As budgetary provisions for end-of-service and post-retirement liabilities have not been made, the resulting deficits are shown in a separate line in the reserves and fund balances section of the statement of assets, liabilities and reserves and fund balances. Further, the net change in these liabilities during the year ended 30 June 2010 is shown in a separate line as "non-budgeted accrued expenses" in the statement of income and expenditure and changes in reserves and fund balances;

(d) After-service health insurance:

(i) Upon end of service, staff members and their dependants may elect to participate in a defined-benefit health insurance plan of the United Nations, provided they have met certain eligibility requirements, including 10 years of participation in a United Nations health plan for those who were recruited after

1 July 2007, and 5 years for those who were recruited prior to this date. This benefit is referred to as after-service health insurance.

(ii) The liabilities for after-service health insurance are determined on the basis of an actuarial valuation, which was undertaken by an independent, qualified actuarial firm. The major assumptions used by the actuary to determine the liabilities for after-service health insurance as at 31 December 2009 were a discount rate of 6.0 per cent; health-care escalation rates of 8.4 per cent in 2010, grading down to 4.5 per cent in 2027 and later years for United States medical plans, and 6.0 per cent in 2010, grading down to 4.5 per cent in 2027 and later years for medical plans outside the United States; and retirement, withdrawal and mortality assumptions consistent with those used by the United Nations Joint Staff Pension Fund in making its own actuarial valuation of pension benefits. By comparison, the assumptions used to determine the liabilities for after-service health insurance as at 31 December 2007 were a discount rate of 5.5 per cent; and health-care escalation rates of 9.5 per cent in 2008, grading down to 5.0 per cent in 2015 and later years for United States medical plans, and 5.7 per cent in 2008, grading down to 4.5 per cent in 2012 and later years for medical plans outside the United States. There were no changes in the Pension Fund retirement, withdrawal and mortality assumptions since the 2007 valuation;

(iii) Another factor in the after-service health insurance valuation is to consider contributions by all plan participants in determining the Organization's residual liability. Thus, contributions from retirees are deducted from the gross liability, and, commencing with the 31 December 2009 valuation, a portion of the contributions from active staff is also deducted to arrive at the Organization's residual liability in accordance with cost-sharing ratios authorized by the General Assembly. These ratios require that the Organization's share not exceed one half for non-United States health plans, two thirds for United States health plans, and three quarters for the medical insurance plan. This refinement in the determination of plan participant contributions is reflective of the fact that both active and retired staff participate in the same health insurance plans and that their collective contributions serve to meet the approved cost-sharing ratios;

(iv) On the basis outlined in (ii) and (iii) above, the value of the accrued liability as at 31 December 2009, net of contributions from plan participants for the United Nations, was $2,302,505,000, of which the portion pertaining to peacekeeping operations was estimated at $364,983,000. The latter amount reflects actuarial gains of $109,676,000 resulting from the updating and refinement of actuarial assumptions noted in (ii) and (iii) above and based on updated census, health insurance claim and other data;

(v) The accrued liabilities for peacekeeping operations of $364,983,000 as at 31 December 2009 have been rolled forward to 30 June 2010 and estimated at $388,600,000, which is shown in the after-service health insurance for peacekeeping operations financial statement, statement XXII;

(vi) The Organization's gross and net liabilities for peacekeeping operations are shown in table V.4:

Table V.4
After-service health insurance liabilities for peacekeeping operations as at 30 June 2010
(Thousands of United States dollars)

	Amount
Gross liability	638 131
Offset by contributions from plan participants	(249 531)
Net liability of the Organization	**388 600**

(vii) Further to the assumptions set out in (ii) above, it is estimated that the present value of the liability would increase by 18 per cent or decrease by 14 per cent, respectively, if the medical cost trend increased or decreased by 1 per cent, all other assumptions remaining constant. Similarly, it is estimated that the accrued liability would increase by 19 per cent or decrease by 15 per cent, respectively, if the discount rate is decreased or increased by 1 per cent, all other assumptions remaining constant;

(e) Repatriation benefits:

(i) Upon end of service, staff who meet certain eligibility requirements, including residency outside their country of nationality at the time of separation, are entitled to a repatriation grant, which is based on length of service, and travel and removal expenses. These benefits are collectively referred to as repatriation benefits. Effective 1 July 2009, as a result of new contractual arrangements, these benefits have been extended to all staff with fixed-term or continuing appointments. Previously, staff who were on contracts of limited duration did not have the full range of these benefits;

(ii) The total amount of accrued liabilities for repatriation benefits across peacekeeping operations was $97,376,034 as at 30 June 2010, compared with $60,753,584 as at 30 June 2009;

(f) Unused vacation days:

(i) Upon end of service, staff members may commute unused vacation days up to a maximum of 60 working days for those holding fixed-term or continuing appointments. Previously, staff who were on contracts of limited duration could commute unused vacation days up to a maximum of 30 days only. Effective 1 July 2009, as a result of new contractual arrangements, these staff members may also commute unused vacation days up to 60 days;

(ii) The total amount of accrued liabilities for unused vacation days across peacekeeping operations was $92,509,395 as at 30 June 2010, compared with $63,065,536 as at 30 June 2009.

Note 15
Facilities provided and fees waived under status-of-forces or status-of-mission agreements

(a) Table V.5 presents the value of the facilities provided free of charge under status-of-forces or status-of-mission agreements entered into with Member

States in whose country the peacekeeping operation is located. The amount was estimated on the basis of fair rental values. In accordance with the accounting policy set out in note 3 (d) (ii), the provision of these facilities is not accounted for as voluntary contributions in kind:

Table V.5

Facilities provided under status-of-forces agreements or status-of-mission agreements during the year ended 30 June 2010

(Thousands of United States dollars)

Peacekeeping mission	*2010*	*2009*
UNFICYP	222	220
UNDOF	511	452
UNIFIL	2 864	3 515
MINURSO	1 561	1 984
UNMIK	121	125
MONUC	2 948	2 335
UNMIL	517	1 987
UNOCI	796[a]	—
MINUSTAH	4 590	3 320
UNMIS	15 744[b]	—
UNMIT	2 809	2 809
MINURCAT	8 766[c]	4 347
UNAMID	965	1 023
UNLB	2 593	2 551
Total	**45 007**	**24 668**

[a] Comprises the value of facilities, which was omitted in fiscal 2009.

[b] Comprises the value of land provided for facilities, which was omitted in fiscal 2009.

[c] Also includes the value of land provided for facilities, which was omitted in fiscal 2009.

(b) A number of fees and taxes that are usually charged for services provided were waived under status-of-forces or status-of-mission agreements entered into with Member States in whose country the peacekeeping operation is located. Such waived fees and taxes included landing fees and other fees at airports totalling $34.3 million, mainly in MONUC ($14.5 million), UNAMID ($8.7 million), UNMIS ($6.3 million) and MINURCAT ($3.0 million); vehicle registration and driving licence fees totalling $11.1 million, mainly in UNIFIL ($10.4 million); and airport passenger taxes totalling $4.2 million, mainly in UNOCI ($3.1 million). In addition, import duties and value-added taxes were usually waived or refunded.

The above amounts were estimated by comparison with fees and taxes applicable for similar services. In accordance with the accounting policy set out in note 3 (d) (ii), the waiver of these fees and taxes is not accounted for as voluntary contributions in kind.

Note 16
Contingent liabilities

An arbitration proceeding involving a supplier of generators and other equipment and the Organization is under way. The supplier has reduced its claim from $31 million to approximately $18 million; the claim is being contested by the Organization. The outcome of the arbitration is not determinable at present and, accordingly, no provision for the claim has been made in these financial statements.

Annex I

Peacekeeping operations funded by the regular budget: status of appropriations by major object of expenditure for the six-month period of the biennium 2010-2011 ended 30 June 2010

(Thousands of United States dollars)

Programme	*Appropriation*[a]	*Salaries and related costs*	*Travel*	*Contractual services*	*Operating expenses and supplies*	*Acquisitions*	*All other expenses*	*Total expenditure*	*Unencumbered balance*
Department of Peacekeeping Operations									
Executive direction and management	1 309	745	249	—	101	21	—	1 116	193
Programme of work	8 384	2 216	62	4	—	—	—	2 282	6 102
Programme support	1 507	122	—	—	142	113	—	377	1 130
Department of Field Support									
Executive direction and management	2 118	451	29	—	1	—	—	481	1 637
Programme of work	6 233	1 240	19	3	—	—	—	1 262	4 971
Peacekeeping missions[b]									
UNTSO	70 630	12 350	521	73	2 056	265	—	15 265	55 365
UNMOGIP	17 530	2 944	299	68	1 134	143	—	4 588	12 942
Total	**107 711**	**20 068**	**1 179**	**148**	**3 434**	**542**	**—**	**25 371**	**82 340**

[a] Appropriation is for the biennium 2010-2011.

[b] Funded by the regular budget.

Annex II

Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2010

(Thousands of United States dollars)

Trust fund	*Reserves and fund balances beginning of period*	*Income*	*Expenditures, transfers and adjustments*	*Reserves and fund balances, end of period*
Trust Fund in Support of the Delimitation and Demarcation of the Ethiopia/Eritrea Border	5 103	104	1 328	3 879
Trust Fund to Support the Peace Process in Ethiopia and Eritrea	1 116	27	7	1 136
Cambodia Trust Fund	1 250	15	1 265	—
Trust Fund for Somalia — Unified Command	368	9	—	377
Trust Fund in Support of the Implementation of the Agreement on a Ceasefire and Separation of Forces signed in Moscow on 14 May 1994	398	11	(73)	482
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	289	8	1	296
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	7 009	174	—	7 183
Trust Fund in Support of the Department of Peacekeeping Operations	5 839	6 749	6 406	6 182
Trust Fund for the Rapidly Deployable Mission Headquarters	946	23	—	969
Trust Fund to Support the Peace Process in the Democratic Republic of the Congo	8 741	182	3 148	5 775
Trust Fund to Support the United Nations Interim Administration in Kosovo	986	24	—	1 010
Trust Fund to Support the Ituri Pacification Commission	6	—	—	6
Trust Fund in Support of the Peace Process in the Sudan	2 370	427	1 158	1 639
Trust Fund for the African Union-United Nations Joint Mediation Support Team for Darfur	13 183	813	2 933	11 063
Trust Fund for the Support of the Activities of the United Nations Mission in the Central African Republic and Chad	8 482	9 345	8 622	9 205
Trust Fund in Support of the African Union Mission in Somalia	15 669	15 726	12 700	18 695
Trust Fund to Support Lasting Peace in Darfur	260	6	—	266
Total	**72 015**	**33 643**	**37 495**	**68 163**

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